FBIS DAILY REPORT

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PARLIAMENT CONDEMNS U.S. AID TO CONTRAS

PA210424 Managua Domestic Service in Spanish 0300 GMT 21 Jun 85

[Resolution approved by the Latin American Parliament in Brasilia on 20 June]

[Text] The Latin American Parliament, which met on 19 and 20 June, analyzed Nicaragua's political status. Six years after the Somozist dictatorship, Nicaragua is the subject of the Latin American Parliament's special consideration.

Whereas:

The presidential and legislative elections held in November 1984, which observers from the Latin American Parliament attended, were a positive step in the process of democratization in that country. As a result of the elections, a National Assembly was created, thus prompting Nicaragua's readmission into our organization.

2. [as heard] Nicaragua's situation with regard to the international context, particularly with regard to the current Central American crisis and the U.S. stance, is also of concern to our Parliament.

The Parliament resolves:

1. To recommend that the Nicaraguan Government include the seven political parties represented in the National Assembly in drafting the country's constitution and that all the other political sectors which are not represented at the Assembly be included so that the constitution may reflect the consensus of the people and uphold the principles of political pluralism, mixed economy, and nonalignment, which the country has been promoting since 1979.

2. To condemn the U.S. trade embargo against Nicaragua.

3. To convey its serious concern over the recent vote in the U.S. Congress granting funds for the armed opposition sectors in that country.

4. To support definitively the work of the Contadora Group to achieve peace in Central America and particularly in Nicaragua.

Signed by: Netherlands Antilles, Argentina, Bolivia, Brazil, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Honduras, Mexico, Nicaragua, Paraguay, Peru, Panama, the Dominican Republic, Uruguay, and Venezuela

Votes To Admit Cuba

PA192045 Madrid EFE in Spanish 2020 GMT 19 Jun 85

[Text] Brasilia, 19 Jun (EFE) -- Admission of the Cuban National Assembly of the People's Power as a full member of the Latin American Parliament was approved by a wide majority at the Parliament's 11th meeting in Brasilia today.

The request for Cuba's entry was based on the Parliament's standing principle of adherence to political and democratic pluralism.

The plenary meeting authorized the entry of Cuban National Assembly of the People's Government by 140 votes in favor of the motion. There were 24 votes opposed, including the votes cast by El Salvador, Paraguay, and Peru, while Honduras abstained.

VARIED REACTIONS CONTINUE TO GOVERNMENT PLAN

PY182216 Buenos Aires BUENOS AIRES HERALD in English 17 Jun 85 p 7

[Text] (DYN-NA) -- Shock waves from the Friday night announcements of President Raul Alfonsin and Economy Minister Juan Sourrouille continued yesterday in the statements of opinion leaders although they had abated considerably in intensity from Saturday when dozens of party spokesmen passed comment on the wage-price freeze.

Most of the voices in favour came from the governing Radical Party although Peronist Deputy Julio Barbaro defended the plan as "consistent and offering hope", thus deserving support from a "responsible opposition". Although the government had taken its time in tackling the crisis, it was now doing so, said Barbaro, adding that price controls were a weapon from the Peronist arsenal. Barbaro did not think the plan stemmed from the International Monetary Fund (IMF). Nevertheless, he criticized the lack of consultation with other parties and the lack of reference to the productive sector.

Radical Deputy Jesus Rodriguez said the new programme would be difficult and would involve costs and sacrifices but less than continuing previous policies. In overcoming inflation and speculation, the conditions for a productive economy, an export drive and tax reforms would be created, the lower house Finance Committee chairman told Clarin.

Radical Deputy Leopoldo Moreau yesterday defended the government's plans to "de-index the economy" and criticized the CGT [General Confederation of Labor] for "opposition for opposition's sake". He told the Radio Belgrano programme Manana, Tarde y Noche that without inflation saving would become an attractive option and "people will soon start selling their dollars to buy australs." Moscow insisted that the purchasing power of wages would be maintained under the freeze.

Meanwhile, the Radical Party called for support for the government's new economic plan, launching a publicity campaign with the title "Now It's Inflation's Turn (Ahora Le Toca a la Inflacion)". Nothing could stop the plan if Radicals achieved a "popular mobilization", the party said.

Both Rogelio Frigerio of the Movement for Integration and Development (MID) and the Union of Commercial Entities (UDECA) slammed the concept of a wage-price freeze. While praising promised government spending cuts, UDECA warned that all-out controls in defiance of market laws would mean falling production and repressed inflation.

CCT Lambasts Measures

PY191430 Buenos Aires TELAM in Spanish 1959 GMT 18 Jun 85

[Text] Buenos Aires, 18 Jun (TELAM) -- The General Confederation of Labor [CGT] today harshly criticized the economic measures implemented by the government. It also demanded that the increase that was to be granted to the working and retired personnel before the price freeze reflect the real loss suffered in the purchasing power of salaries. In addition, the CGT demanded that layoffs, suspensions, and the closing of job opportunities be avoided during the period of the emergency plan.

In this regard, Jorge Triaca, one of the CGT secretaries, stated that the CGT will not ignore the appeal for mediation made by the church to accept the economic measures, but he added that he has serious doubts about the success of these measures because they are incomplete.

The CGT also reaffirmed its appeal to the business sectors to prepare an emergency socioeconomic plan, and added that political parties, governors, and legislative blocs have been invited to support this plan against inflation and international usury.

These resolutions were adopted during a meeting of the secretaries general of the CGT confederated unions, which also decided to call for a plenary national meeting early in July to assess the results of the economic measures and to adopt the appropriate measures for the second stage of the plan for struggle that began after the 23 May mobilization and stoppage. Although the 3-page CGT communique does not say so explicity, a CGT source has stated that the possibility of the CGT calling a national stoppage immediately has been practically discarded. The communique states, however, that each organization has been granted freedom of action to adopt the measures it considers necessary to safeguard its interests.

In the statement, the CGT states that the so-called reform plan is just the continuation of the so-called package of economic measures. It adds that this plan will only provoke a general mobilization of all human and material resources if the government persists in its technocratic arrogance instead of promoting a popular government. The communique states: We workers agree that the priority objective is to weed out inflation from the Argentine economy, because we are the ones who most suffer its effects, and we have no means to transfer to others the loss caused to us by inflation.

In the 10-point statement, the CGT passes judgment on the measures adopted. The first of these points states that from 24 March to this date salaries have been used as a means to control inflation, but so far this has not yielded the expected results because the inflation rate remains the same. Another point states that in view of the request to increase production through a just income policy, the government has decided to continue its policy, which adversely affects salaries and, therefore, consumption. It adds that it is unfair to freeze salaries because, the monthly increases that have been granted over the past 9 months have been 10 percent below the inflation rate, a situation that is made more serious this month with measures that will mean a 50-percent loss in the purchasing power of these salaries.

Warning that the elimination of all motivation for production, tariff increases, and the high tax presssure, in addition to the salary freeze, will weaken demand even more, the CGT statement adds that as long as there is unemployment and social inequities the drop in the inflation rate will be transitory, circumstantial, and the result of a declining country. It states that the declared intention to abstain from issuing currency as a means of financing bank credits implies that there will be a quest, through special incentives, for speculative foreign capital [capital externo golondrina] which destabilized the financial market during the military dictatorship. It also claims that the surprising statement that the public sector will have to finance itself through tax resources, tariffs, and foreign credit leads us to suppose that state enterprises will contract new debts. The CGT states that the change in the name and value of the money and the spectacular nature of prices are distracting the people from thoroughly analyzing the predictable consequences of the proposed reform. It goes on to say that we would rather have a just and sufficient salary than a hunt for retailers who charge more than the maximum prices, staged to distract the people's attention.

GOVERNMENT CREATES WEAPON EXPORTS COMMITTEE

PY182025 Buenos Aires TELAM in Spanish 1431 GMT 18 Jun 85

[Text] Buenos Aires, 18 Jun (TELAM) -- Government House sources have reported that the administration has created a Policy Coordinating Committee for Military Materiel Exports [Comision de Coordinacion de Politicas de Exportacion de Materiel Belico], which will intervene before any negotiations for the exportation of weapons takes place.

The committee will be set up in the Defense Ministry and will be made up of the respective secretaries of Defense Production, Economic Coordination, and Foreign Relations. The committee was created by Decree No 1097 of the executive branch and it states that the Defense Production Secretariat will be in charge of the committee. All petitions for export authorization will have to be submitted to the Defense Productions Secretariat. The committee will be in charge of authorizing the manufacturers of military weapons to begin and end negotiations for exportations and will assign them representatives. The decree also states that the previous intervention of the committee will be obligatory for all the centralized or decentralized public administration organizations, state companies, independent organizations, state associations, corporations with major state participation, or any other organization from the public sector disregarding their juridical character, as well as any private company that may manufacture or trade weapons or war materiel.

The decree is based on the need for the country to intensify nontraditional exports, mainly those of a high added value and advanced technology. The decree also says that because of their technological complexity, and the international political implications of their commercialization, the exportation of such materiel requires a government committee of the highest level to coordinate and give advice based on a common criteria and objective.

PRC LAWMAKERS DELEGATION MEETS ALFONSIN

PY141345 Buenos Aires TELAM in Spanish 2119 GMT 12 Jun 85

[Text] Buenos Aires, 12 Jun (TELAM) -- President Raul Alfonsin, along with a group of PRC lawmakers, today reviewed the North-South question, the situation resulting from the foreign debt, and the protectionism that prevents Third World countries from developing. The delegation from the Standing Committee of the PRC National People's Congress went to Government House. It is headed by Huang Hua, vice chairman of the Standing Committee of the National People's Congress. In statements to the press after the meeting, Huang Hua said that Argentina and the PRC have been friends for 13 years, and that practical experiences tell us that we can be good partners.

Huang Hua stated that the talk with Alfonsin focused on the North-South question, which is to be understood as a reform of the former international economic order which was based on injustice and unequality, and that we are now seeking other systems that are more just and reasonable. Regarding the foreign debt problem, Huang Hua stated that we expressed our understanding and sympathies for Argentina in its effort to overcome this problem, which originates precisely from that old economic world order. Huang Hua alluded to the protectionist measures being adopted by the industrialized countries in their foreign trade, and the very high interest rates those countries impose on the debts of the underdeveloped countries, preventing their development. Huang Hua voiced his agreement with the Argentine stand, namely that Argentina should join the other indebted countries seeking a reasonable solution and demanding that the industrialized countries also should bear responsibility for the situation resulting from the indebtedness. Huang Hua said that the selfish and shortsighted position adopted by the Northern countries will lead only to what a Chinese proverb describes as picking the rock to strip one's foot. [as received]

During the talk with President Alfonsin, we told him that we greatly appreciate the initiatives he had taken on peace and disarmament, Huang Hua said. He added that the frantic armament race between the two superpowers makes the situation more tense, and even affects the world economy and the security of many countries. Huang Hua asserted that China and Argentina are willing to coordinate actions to organize international conferences on peace and disarmament. As for bilateral relations, both countries have adopted a very positive attitude on expanding trade and economic cooperation, as well as scientific, technological, and cultural exchange, Huang Hua said.

POWER WORKERS STRIKE ENDS; ELECTRICITY RESTORED

PY210050 Madrid EFE in Spanish 2323 GMT 20 Jun 85

[Text] La Paz, 20 Jun (EFE) -- After 30 hours of darkness caused by a power cut by workers of the electric power company who are demanding better salaries, power has been restored to the Bolivian capital following the resolution of the conflict.

The power cut, ordered by the leadership of the Bolivian Electric Power Company's labor union, paralyzed most sectors of this city, especially the downtown area where most businesses and public offices are located. The Government Palace was one of the buildings affected by the power cut. As a consequence, some official activities, including the presentation of credentials by the new Nicaraguan ambassador, had to be postponed.

COB DECLARES EMERGENCY AFTER SANTA CRUZ CLASH

PY151940 Madrid EFE in Spanish 1805 GMT 15 Jun 85

[Text] La Paz, 15 Jun (EFE) -- The Bolivian Labor Federation (COB) has declared itself in a state of emergency following a clash between workers and ultrarightist groups that left five people with bullet wounds. The clash occurred yesterday in Santa Cruz de la Sierra in the southeastern part of the country. The COB has also threatened to strike, unless the government meets its salary demands.

POLITICAL OBSERVERS SEE MNRI BREAKING UP

PY202152 La Paz Cadena Panamericana in Spanish 1130 GMT 20 Jun 85

[Excerpt] According to political observers, the ruling Nationalist Revolutionary Movement of the Left [MNRI] is continuing to break up bit by bit. This observation seems to be confirmed by the mass departure of the MNRI-Campesino faction, led by Zenon Barrientos, which recently formed an alliance with the Nationalist Revolutionary Movement-Vanguard [MNR-Vanguard] faction led by Dr Carlos Serrate Reich. In addition, the La Paz MNRI Unitary Command [Comando Departamental Unitario] has also joined the MNR-Vanguard faction, claiming that the MNR-Vanguard faction now represents genuine revolutionary nationalism.

Over the past few hours, a large group of young professionals from the MNRI in La Paz and throughout the interior of the country has joined the MNR, which is led by Victor Paz Estenssoro. William Villagra, the leader of this group of professionals called the MNRI-Advanced Generation faction (MNRI Generacional de Avanzada], has stated the following:

[Begin recording] During a meeting held approximately a month ago with delegates, with fellow leaders from the interior of the country we decided, in order to maintain a left-wing position with better prospects, to join the MNR, led by Dr Paz, thus maintaining our political line. A fairly long time ago, that is, 2 years ago, we created a movement of young leaders throughout the country, a movement that was kept latent and was not allowed to be really effective. But now, given the political situation we are experiencing, we have made a clear-cut and conclusive decision to join our forces, made up of young leaders of the left-wing movement, and to support the candidacy of Comrade Victor Paz Estenssoro. [end recording]

SARNEY DISCUSSES AGRARIAN REFORM, OTHER ISSUES

PY172332 Sao Paulo Radio Bandeirantes Network in Portuguese 1403 GMT 17 Jun 85

[Press conference by President Jose Sarney with local and foreign journalists at the auditorium of the National Security Council in Planalto Palace in Brasilia -- live]

[Excerpts] [Reporter from ESTADO DE MINAS newspaper] Mr President, could the opposition posed by some sectors of the society to the government's agrarian reform draft prompt a review of the draft or hinder its implementation?

[Sarney] Look here, the agrarian reform is part of the Democratic Alliance's program. We have undertaken that commitment for the purpose of actually implementing it. But before the agrarian reform became part of the Democratic Alliance's commitment it was in the minds of all respectable Brazilian citizens. The country cannot possibly make any progress without an extensive reform of its agrarian system. This reform is not aimed at inciting violence but rather at averting it. It aims to restore peace in the rural areas, to improve production, to prevent rural exodus caused by the current system that favors the development of a few cities. We must also correct the injustices in the rural areas. Therefore, the agrarian reform is a commitment undertaken by the government and the government is not going to turn its back on it.

I believe that the somewhat passionate reaction to the agrarian reform lies in the misinterpretation of the world conflict. The land statute is the heart of the agrarian reform which contains reform and agrarian development measures, and it is a law of President Castelo Branco's administration. Therefore, we are using legal instruments that were approved by Congress and by a national instituion long ago: the Constitution says that property ownership must consider social interests. In turn, the land statute says that an agrarian conflict is that in which there are doubts about the ownership of land. It has nothing to do with illegal land occupation, which in the civil code is interpreted as an expropriation and the penal code as a crime. Thus that interpretation of agrarian conflict in the land statute was confused with a conflict that actually concerns public order which has got nothing to do with the agrarian problem.

Regarding the agrarian reform, President Tancredo Neves heard the pope say that it is necessary to carry out an agrarian reform in Brazil as part of one of the proposals of the Brazilian episcopate. He also said on that occasion that he also heard the same thing from the IDB and the International Bank for Reconstruction and Development [IBDR]. Therefore, we, who are responsible for the Democratic Alliance, the moment we signed that commitment, we are responsible for the determination of beginning to solve that serious problem. I, assuming my responsibility as president of the Republic and adhering to high ideals in order to solve the problem, will carry out a democratic agrarian reform within the law. We will carry out an agrarian reform in keeping with what the country needs, desires, and demands.

[Reporter from Sistema Brasileiro de Televisao] Mr President, I want to make the following observation regarding the reactions to the agrarian reform draft, to the draft on the law on strikes that you are currently evaluating, and to the difficulties faced in reviewing the terms for renegotiations with the IMF.

President Tancredo created expectations regarding the establishment of a government open to everyone's participation, a government of everyone and for everyone. Right now you are promoting the negotiations on a national pact, up to a certain point, with all political parties. Do you, who has proclaimed loyalty to President Tancredo Neves' objectives, believe that a participatory government in some way, can be replaced by a simple understanding among the political parties' elites?

[Sarney] The pact is not the result of an understanding among the elites. I am being forced to give a hasty answer although this issue requires a certain degree of meditation and an in-depth answer. The country requires unity, a political awareness, a political will to be united in order to be able to face the problems with which it is confronted. The question is: What is the pact? I think this is more or less what Carlos Henrique wants to know. Now then, I have explained that in order to be able to carry out the changes we have promised to make, we need a political will and awareness. All the sectors we have turned to are deeply disorganized and divided. Nowadays, there are no sectors in Brazil that could be called organized, or ready to start implementing the changes the country demands.

We are going to be faced with reactions in all sectors but we will not be able to take the decisive step that the country requires and which entails changes, if we lack political will and political awareness of unity. Therefore, there is a need for a pact, a national pact. The pact should reflect full confidence in the president of the Republic, not in the government, and we are going to discuss matters with the people. Therefore, the pact is not a pact among the elites. There are several reforms that we must carry out in order to take the decisive step the country requires. Right now Brazil is faced with a great opportunity, this is a turning point in Brazilian history. But the president cannot cope with this alone. Neither can the Democratic Alliance, that has agreed to carry out a transition government, cope alone. We need the awareness of the Brazilian society to support the great changes we must carry out and the guidelines we must follow. To accomplish this will be a difficult political engineering but if we are able to fulfill this task the current Brazilian generation will occupy an important place in the country's history.

[Reporter from Radio Bandeirantes of Sao Paulo] Some Democratic Alliance [AD] leaders believe that the election contest in capital cities may worsen the differences between the Brazilian Democratic Movement Party [PMDB] and the Liberal Front Party [PFL] as is the current case in Sao Paulo where the PFL has to support the Brazilian Labor Party [PTB] candidate. There is even talk of creating a new party after the elections as a political support for the government by gathering the PFL, the Social Democratic Party [PDS] dissidents that are not with the PFL, and the moderate PMDB members. I would like to know how you intend to handle this situation, and in the case of a break-up of the AD, would you even need to reshuffle the cabinet?

[Sarney] I do not believe that the AD will break up. I think that the AD will be maintained, it will overcome this difficulty, it will overcome municipal elections this year and next. Above all, I believe in the public responsibility of the AD members, who with great ideals, signed a commitment to the nation. We must follow the great example of sacrifice of President Tancredo Neves which inspires our unity. Therefore, I do not think that the AD will split and I think that the parties that make up the AD may separate for the elections but they will remain united by that fundamental commitment which must not end.

[Reporter from AFINAL] Mr President: An unprecedented number of Brazilian businessmen throughout the country are preparing themselves to sponsor candidates in the 1986 elections. Do you believe that this effective interference of economic power in politics may lead to distortions in the constitutent assembly.

[Sarney] I believe that this pact will help us prepare for the constituent assembly, to debate national problems, national reforms; that it will help prepare the country to make the people more aware of the problems so that the constitutent assembly may truly be a great event in the history of the country. I think it will help create the proper atmosphere that will lead to the constituent assembly.

But I believe this is a problem pertaining to the Electoral Court and the National Congress. Any effort to distort or influence public opinion through the interference of economic or public power, or through any other means used to influence the citizens' will, is considered to be aggression against democracy. Therefore, I believe that this is an issue that Congress will of course keep in mind when making reforms by issuing laws against those who abuse economic power to distort or influence the will of electors.

[Reporter from O Globo Television Network] Mr President, you have taken over the government at a dramatic time for everyone, for the country and even for yourself; since the cabinet was not chosen by yourself, I would like to know whether you intend to modify the team because some may want to run for election in 1986 and wish to leave their post.

[Sarney] Yesterday, during the game, I was asked if Tele Santana [coach of Brazilian national soccer team] should modify the team, and my answer was that a winning team must not be changed. In our case, we have just begun and I don't have any political reasons to change the government team. However, I have a commitment of administrative efficiency with the nation, and so I will demand more adhesion to my administrative and political program. Then if we need to change the team, we will not hesitate to make changes, but at this time I don't see any reasons of any kind to make changes.

[Reporter from UPI News Agency] Mr President, you said last night that you will not accept any agreement that would cause hunger or recession, but the IMF program over the past 3 years has caused unemployment and recession. You are about to conclude an agreement with the IMF, what is your proposal to prevent more recession in Brazil?

[Sarney] We are negotiating with the IMF and later we will negotiate with the banks, but we have a strategy for those negotiations. The line has been drawn, and we cannot accept any agreement committing Brazil to sink into recession and then unemployment and then hunger and then social unrest. Brazil is not an economic problem, an economic risk, but it can turn into a serious political risk. So we can never enter into any negotiation that will lead to an unbearable sacrifice by the nation. At this time, I have a historical vision and determination that this must be the basis of our conduct.

[Reporter from Manchete Television] Mr President, you have said that you do not intend to modify your cabinet; however, political commentators have systematically made criticisms saying that there are differences of opinion among your cabinet members. You have said that differences are healthy and that you will not make any changes. How will you manage to obtain equanimity in your cabinet?

[Sarney] I believe that one thing is unity and another thing is the freedom to criticize. This is a politically structured government. My administration is made up of government leaders. They are individuals that have opinions, experiences, and recommendations to offer. The government cannot isolate itself in a bunker and adopt a decision by itself. It cannot lock itself up with three of four specialists and find a magical solution. Our government would never try to perform miracles, and it will not do so because it is aware of its limitations. On our team each one has the right to express his opinion.

I can assure you of one thing: policies and decisions are the responsibilities of the president and I will not resign. The ministers implement a policy but they are not the creators of policies. This does not mean that they may not express their opinions, but the final decision is mine, and once I have made my decision all of them have to execute it as a presidential decision. This is the real unity of government.

[Reporter from O Globo Television Network] Mr President, there is a reaction within the Brazilian Democratic Mobilization Party [PMDB] regarding the differences between the ministers in the economic area. A few days ago, a member of the PMDB told me that the finance minister is identified with the old government and that Planning Minister Joao Sayad represents the new Republic. I ask you whether you favor the expenditure cuts as Minister Dornelles recommends or the tax increases as Minister Sayad recommends? Whether you favor the reduction in interest rates as Mr Sayad recommends or the maintenance of the monetary policy of Minister Dornelles? What is your coice: Dornelles or Sayad?

[Sarney] I don't think I will make the choice simply because when both are together, they represent Sarney. [laughs] All these opinions can be stated because as far as the reduction of interest rates are concerned, neither Minister Dornelles nor Minister Sayad are against a reduction. All of us want lower interest rates, and I have no doubt that they will be reduced. Now, what we cannot do is to lower the interest rates artificially without knowing the consequences of such a reduction, as though the government could interfere in the economy to say that the interest rates will come down. So from that point of view, both Minister Dornelles and Sayad are in agreement. We will lower the interest rates, but what we cannot do is to risk interfering in the market that way and thus losing control of the government. Why? Because to face the deficit that we have, of 104 trillion cruzeiros, we have to cut expenditures as we are doing, and cut them even more; we have to go to market to sell public securities; we will have to increase taxes to hit the wealthy harder, or we will have to print money. I have talked to all the economists, and we have reached this conclusion: The diagnosis of the disease is unanimous, but when the question of treatment arises the divergencies appear. They all know what the medicines are, but one wants a little bit more of this, another a little bit more of that, well the solution is not always that clear. We cannot run the risk in Brazil of starting to take measures which interfere with the market, countermanding its laws, and thus losing control of the economy. If we do this, we might be betting on our horoscope for the next day.

[Reporter from BRAZILIAN NEWS AGENCY] Mr President: You have begun holding series of meetings at Granja do Torto [presidental residence] with representatives from different sectors of Brazilian society, most recently you met with economists and businessmen. What were your conclusions from these two meetings?

[Sarney] Well, I believe that these were very important meetings since it means that the president is willing to listen to all sectors of Brazilian society with the ulterior motive of making fewer mistakes. This is the objective of the meetings I have been promoting and which I will continue to hold.

This is what we did in Petrolina. We are listening to many well-intended people and I believe this is an extremely healthy practice for those in government. This is a new government style. It is an open government in which the government is humbly seeking advice from others.

[Reporter from JORNAL DE BRASILIA] President Sarney, every time a constituent assembly has been held in the history of Brazil, the people have had very little participation. I would like to know what role the president of the Republic will play in calling the constituent assembly and how President Jose Sarney is going to mobilize the majority of Brazilian society?

[Sarney] I think that as for my own role, in my capacity as head of the government, I should carry on with what I am doing at present, that is, to try and organize the national pact. This national pact, as I have said, means that we tackle the country's great problems and carry out the important changes that the country requires; start to discuss them and reach an agreement on the path that should be taken to solve each problem. In the second place we are going to encourage debate regarding the constituent assembly throughout the country during what is left of 1985 and all of 1986 in order to create the atmosphere of a constituent assembly. I believe that with this decision that the government is implementing it allows for the constituent assembly to fulfill its purpose. Here in Brazil, throughout its history, we have never experienced a period to prepare for a constituent assembly which so many Brazilians hope will be able to fulfill its objectives.

[Reporter] Mr President, not long ago you said that the national pact will be one among the elite. Therefore, I wonder when, exactly, will the Brazilian society be asked for an opinion, especially in drafting the new constitution?

[Sarney] In the first place I believe that we must encourage Brazilian society to engage in debates. The people should discuss the constituent assembly and the various subjects it will encompass. However, the peoples' greatest decision regarding the constituent assembly naturally lies in their election of the assembly delegates. This will represent the consecration of the great pact through the formation of a newly voted constitution.

[Reporter from GAZETA MERCANTIL] Mr President, the country will pay $55 billion in the next 7 years in interest to international banks. This sum will be enough to finance at least 30 emergency programs today. In a recent meeting at Granja de Torto, you noted that if the level of foreign reserves should drop, the country might suspend the payment of interest. My question is: How do you intend to handle the interest on the foreign debt, which represents a serious restraint on internal growth and with what amount of reserves would the country cease payment of interest?

[Sarney] President Kennedy in a press conference at one time said that the president of a democratic government speaking to the press could sometimes say that he was not in the position to answer a question. I will not say that but I will say that in this press conference I cannot make public my answer to your question. Our creditors would be greatly interested in knowing what our position will be because they want to find out what our strategy will be. We can only say that in all truth Brazil has a limit beyond which it cannot pay its foreign debt as I have already said on occasion.

Before closing, I just want to thank you and apologize for the questions I could not answer today, but since we will repeat this whole practice, I hope that next time I will be able to give more concise answers and that we can have better news for the Brazilian people. However, I don't want to close this press conference without saying that today, I have the certainty that Brazil will overcome the crisis. I can tell the Brazilian people that we cannot have a miracle-making government, but we will overcome the problems. Brazil has great potential, and what it needs today is national awareness, a national will, and national unity to solve our problems. If the Brazilian people reverse the pessimistic expectations, we will no doubt easily find the main avenue. This is my message. I came to government in a dramatic situation by the hands of fate, but today I have greater confidence. I must repeat what I said in the last cabinet meeting: If God brought me from so far away, certainly he did not do so for me to disappoint the Brazilian people. So I am trying to fulfill my duty by working 18 hours a day as you have seen, inviting everyone to work, and trying to think of ways not to frustrate the great hopes of our great people. Thank you very much.

COMMUNISTS SUPPORT SARNEY'S POLITICAL PACT

PY132135 Rio de Janeiro O GLOBO in Portuguese 12 Jun 85 p 2

[Text] Brasilia -- At a meeting at Planalto Palace, the National Board of the Communist Party of Brazil [PC do B] told President Jose Sarney yesterday that the PC do B is willing to participate in a broad political pact to meet the serious problems affecting the country. PC do B Secretary General Joao Amazonas has stated in an interview that the pact still needs to be better organized, but that in principle the Communists support the idea.

Amazonas explained that he did not ask President Sarney for the PC do B's membership in the political council of the new Republic, because although it is a member of the Democratic Alliance, the PC do B does not yet have formal leadership in Congress, as do the other members of the council. Amazonas gave to the president a copy of the document presented to the Superior Electoral Board by which the Communists have regained their legal status.

Amazonas pointed out the agrarian reform, the foreign debt, the constituent assembly, and the amendment on the electoral law as the government's most serious problems. Regarding the agrarian reform he asked the government to investigate the organization of the right, which has the support of the land estate owners.

PTB-PFL COALITION MEET, AGREE ON CANDIDATE

PY151845 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 15 Jun 85

[Text] The Brazilian Labor Party [PTB] and the Liberal Front Party [PFL] yesterday reached an agreement here in Sao Paulo concerning the 15 November mayoral election in Sao Paulo. The meeting was attended by former President Janio Quadros, the PTB candidate for mayor of Sao Paulo, and all members of the PFL bloc of federal congressmen.

Quadros will be the candidate of the PTB-PFL coalition for mayor of Sao Paulo. His running mate will be a PFL member who will be nominated through a popular consultation. Quadros previously agreed to support the PFL candidate for governor of Sao Paulo, Olavo Setubal. This agreement will be formally approved on 17 June in a meeting to be held at the PFL headquarters here in Sao Paulo.

ANTITORTURE MOVEMENT HOLDS DEMONSTRATION

PY202209 Santiago Radio Cooperativa in Spanish 1700 GMT 20 Jun 85

[Text] The Sebastian Acevedo Movement Against Torture has just held a hit-and-run demonstration at the intersection of Alameda and Cumming Streets, where the demonstrators unfurled a banner which read: Why doesn't Chile sign the international convention against torture? The demonstrators chanted a number of songs praising freedom and protesting torture. The demonstrators want the government authorities to explain why Chile has not signed the UN International Convention Treaty. According to this treaty, neither exceptions nor orders from above can by any means justify torture. It also establishes that a torturer can be punished in a foreign country. The Sebastian Acevedo Movement believes that the government authorities must state Chile's position regarding this international legal instrument.

POLICE, DEMONSTRATORS CLASH IN SANTIAGO

PY210045 Paris AFP in Spanish 0010 GMT 21 Jun 85

[Text] Santiago, 20 Jun (AFP) -- Violent incidents between demonstrators and policemen occurred tonight in Santiago during a drive against hunger organized by organizations opposed to the government of General Augusto Pinochet. A loud explosion was also heard in the downtown area of this capital when a bomb shattered the windows of a building located on Nataniel Street, three blocks from the La Moneda Presidential Palace. There are no reports of injuries.

Several hundred people converged on the Plaza de Armas and on Paseo Ahumada shouting slogans against the military regime to protest price hikes and unemployment. According to early reports by witnesses, the Carabineros arrested approximately 30 people.

Further on Incident

PY210204 Santiago Radio Chilena in Spanish 2330 GMT 20 Jun 85

[Text] Reporter Carlos Alzamora will now give us a report on what is happening in the Plaza de Armas.

[Begin recording] A critical situation is now taking place in the city's main square. Many people have converged there to shout slogans against the government, and in compliance with the law, the Carabineros have proceeded to detain several people. We have been able to see more than a dozen people being taken by the police to buses. Meanwhile, the municipal band is playing music in a sector near the area, and many people have been trying to prevent it from continuing. We can say that everything has ended. Many people can be seen running because the Carabineros are using water cannon to disperse the people. [end recording]

Angelica Cabellos will now give us a further police report. Good evening, Angelica.

[Begin recording] Good evening. The Carabineros reported just a few minutes ago that an unknown number of people have been detained because of incidents that are taking place at this moment in downtown Santiago, and that several people have gathered in the western area of the Plaza de Armas. Police personnel are trying to disperse the demonstrators, who are shouting slogans against the government and against the economic policy and price hikes. The Carabineros have reported that a bomb went off tonight at 117 Nataniel Street, but that there are no further details in this regard. The uniformed police are beginning to use water cannons to disperse the demonstrators, who are shouting antigovernment slogans. [end recording]

BLACKOUTS REPORTED IN SANTIAGO, OTHER CITIES

PY210225 Paris AFP in Spanish 0143 GMT 21 Jun 85

[Text] Santiago, 20 Jun (AFP) -- Police sources have reported that a general blackout tonight affected Santiago and other cities in the central region of Chile, leaving 12 million of its inhabitants in the dark. The blackout hit Santiago at 0005 local time [as received] (0105 GMT, Friday) leaving the La Moneda Presidential Palace, the civic neighborhood [as received], and Santiago suburbs without electricity. Electricity returned in the downtown area within 18 minutes, but television channels and radio stations interrupted their programs and began to broadcast with emergency equipment.

There has been no official information about the cause of the blackout, which was preceded by a first one at 2020 local time (0020 GMT). The blackout coincided with bomb explosions in some parts of Santiago and a demonstration against the government of General Augusto Pinochet.

Caused By Dynamite Attacks

PY210324 Paris AFP in Spanish 0239 GMT 21 Jun 85

[Excerpts] Santiago, 20 Jun (AFP) -- Police sources have reported that a general blackout tonight affected Santiago and other primary cities in the central region of Chile, leaving more than half of its 12 million inhabitants in darkness. The blackout had characteristics similar to those acts of sabotage that have been claimed over the last 18 months by the clandestine Manuel Rodriguez Patriotic Front, FPMR, which the authorities say is the armed branch of the Communist Party. After 2200 local time police sources reported that the blackout was caused by dynamite attacks that destroyed three power pylons.

GOVERNMENT REPUDIATES TWA PLANE HIJACKING

PY201345 Paris AFP in Spanish 0435 GMT 20 Jun 85

[Text] Santiago, 19 Jun (AFP) -- The military Government of Chile today strongly repudiated the hijacking of a TWA Boeing aircraft by terrorists who are keeping the plane's crew and passengers hostage in Beirut. Chile reiterates its policy of condemnation of terrorism whatever its objectives, and insists on the need for eradicating this disrupting practice from the international scene, a practice the Chileans repudiate, an official communique said.

In another passage of the communique, the Chilean military regime calls for the immediate release of the hostages and says that it joins its voice of protest to those of the world community, condemning the unacceptable use of force in international relations, for whatever purpose.

BANNED PUBLICATIONS TO BE PUBLISHED AGAIN

PY202124 Madrid EFE in Spanish 0743 GMT 19 Jun 85

[By Juan Jorge Faundes]

[Text] Santiago, 19 Jun (EFE) -- Six magazines whose publication was suspended on 7 November 1984 when the state of siege was decreed in Chile will be published again, the publishers of the magazines have announced.

The publishers of the magazines ANALISIS and APSI and the newspaper FORTIN MAPOCHO have announced that they will again appear this week. The magazine CAUCE has announced that it will resume publishing in the next 2 weeks. The cultural magazines LA BICICLETA and PLUMA Y PINCEL have also announced that they will reappear in a relatively short time.

ANALISIS publisher Juan Pablo Cardenas has stated that his magazine will probably be on sale on the newsstands tomorrow, and that we will report as extensively as possible on everything that happens without imposing on ourselves any other restriction but the common good. Cardenas added that the end of the state of siege simply means that the magazine will circulate throughout Chile, because we have been publishing it in Germany under the name ANALISIS INTERNACIONAL.

For his part, APSI publisher Marcelo Contreras has stated that there are still very severe restrictions on the press. Nevertheless, Contreras stressed we are willing to endure them so we can exercise our rights to report on and influence the national debate from our own perspective.

Gonzalo Figueroa, chairman of the board for the magazine CAUCE, has stated that the lifting of the state of siege confirms that it was a mistake to decree and impose it in November 1984. If there is the will to return to a state of law, it is necessary to allow opposition publications, and if those publications trespass the legal boundaries, then the government can resort to the courts to punish those who may have committed crimes, Figueroa added.

The magazine CAUCE will have a new publisher, Gustavo Boye, who will replace former publisher Edwin Harrington, and it will have a revamped team of reporters.

Figueroa stated that CAUCE will continue its policy of denouncing what needs to be denounced. He recalled that the lawfulness and fairness of the denunciations made during the period preceding the state of siege is shown by the fact that no claim filed against CAUCE has been upheld by the courts.

Jorge Lavandero, chairman of the board for the newspaper FORTIN MAPOCHO, has stated that FORTIN MAPOCHO will be published, seeking, whatever the risks, to maintain our aspiration to tell all the truth and to restore democracy and freedom.

Some of thoe risks became evident today when the Supreme Court of Justice decided to approve an indictment against Jorge Donoso, the publisher of FORTIN MAPOCHO, for slandering the Armed Forces. The charges were filed with the military prosecutor's office in mid-1984 because of some editorials that were considered slanderous. Prosecutor Enrique Rossi approved the indictment of Donoso, an indictment that the military court reversed in March 1985. However, prosecutor Rossi appealed to the Supreme Court of Justice, insisting on the indictment of Donoso, and this petition was approved today by the Supreme Court.

Emilio Filippi, publisher of the magazine HOY, which since the beginning of the state of siege circulated under the blanket censorship system and will now circulate without it, has stated that we will return to the type of journalism that we have always exercised: clear, independent, and critical.

PRENSA LIBRE, one of the underground publications that circulated among a closed circle of subscribers during the state of siege, today appeared for the last time with the pledge: Every time the free press is attacked or the truth is hindered in any way by censorship, PRENSA LIBRE will again be published and will reach every one of the readers who honored us with their support.

VIOLENT INCIDENTS REPORTED DURING 20 JUNE STRIKE

PA201955 Bogota Television Service in Spanish 1730 GMT 20 Jun 85

[Excerpts] The civic strike called by the Trade Union Federation of Colombian Workers and rejected by the other union federations and industrial and business sectors, has developed amid relative calm notwithstanding isolated outbreaks of violence and the virtual paralyzation of public transportation this morning. We will give an overview of the developments from various cities.

Here is a report by Ricardo Canon on last night's developments in Bogota:

[Begin recording] [Canon] At [word indistinct] this morning, 20 June 1985, we have the first segment of a special "Noticias 1" report prepared several hours before and after midnight, when the civic strike began.

[Bogota Police Commander Jose Luis Vargas] As part of the police campaign to urge citizens to cooperate with the authoriies, we received a phone call reporting the presumed presence of rebels and an arsenal of the Ricardo Franco Front in a house in Guacamayas neighborhood. We sent personnel to the site and the report was confirmed. After obtaining a search warrant, they raided the house and confiscated this arsenal.

[Canon] At 2345 we visited the Kennedy Hospital, in one of Bogota's most densely populated areas. The head nurse and the duty physician at the emergency room reported that only one emergency and two maternity cases had been treated.

[Vargas] We confiscated explosives from a Kennedy neighborhood house. We presume they were to be used during today's strike.

[Canon] In a second police action conducted at 0830 an arsenal was confiscated and 19 April Movement [M-19] literature was seized, and four people were arrested.

Ten hours after the strike began in Bogota, the situation is normal. Early this morning minor disturbances took place in the eastern section of the city. These were quickly contained by police. The worse problem has been the partial paralyzation of transportation. [end recording]

Meanwhile, similar situations developed throughout the country. We have reports by microwave by "Noticias 1" reporters in Barranquilla, Cali, Medellin, and Bucaramanga.

[Begin recording] [Jairo Sarabi Hernandez] Public order has prevailed in Santander Department, including its capital, Bucaramanga, as the Armed Forces exercise strict control over the situation. There have been minor developments, such as the explosion of dynamite on the Sogamoso River Bridge, on km 52 on the road to Barrancabermaja, the operation to spread nails on the streets, and the lack of public transportation early this morning. The situation began to return to normal after 0900. Factory workers, office employees, and college students found their way to their workplaces and classrooms on foot. Stores opened to the public and factories operated normally, in response to the call issued by the National Federation of Businessmen and the National Association of Industrialists.

Barrancabermeja Mayor Ulpiano Diaz said that all is calm in Middle Magdalena, although he admitted that bus and taxi companies have not been operating since this morning. Fifth Brigade Commander General Daniel Garcia Echeverri said that three people were arrested today in La Juventud neighborhood as they were getting ready to cover streets with nails. Government offices are working a special 10-hour shift today to handle any emergency, following instructions issued by Santander Governor Alvaro Cala Hederich.

[Unidentified reporter] Antioquia Department Police Chief Miguel Carillo reported that a police motorcade was fired at by people traveling in a private car in a downtown area. One policeman was killed and another wounded in this action. It was also reported that a police station in northeastern Medellin was attacked by 12 members of the M-19. One rebel was wounded and seven arrested. [end recording]

Mayor Killed

PA210230 Bogota Television Service in Spanish 0000 GMT 21 Jun 85

[Text] The Colombian Defense Ministry has reported that shortly after midnight about 100 armed men attacked Caceres, Antioquia Department, killing Mayor Antonio Campillo and seriously wounding his secretary. The men identified themselves as members of the National Liberation Army [ELN]. Immediately afterward they set fire to the garrison, seriously wounding five policemen, who were evacuated to Caucasia.

At about 0300 the Barrancabermeja-Bucaramanga oil pipeline was attacked with explosives. The Colombian Petroleum Enterprise initiated the repair of the pipeline at once, and it began operating again late this afternoon.

In Corozal [words indistinct], a similar attack occurred. The pipeline will be repaired in 2 days. In addition, a pylon was damaged in the Jerusalen neighborhood in Bogota. It was repaired immediately.

The police succeeded in deactivating three bombs, one at a Barranquilla pylon, another at the Yumbo Valle public enterprise, and still another on the Bogota [words indistinct] railroad.

SANTANDER BUS OWNERS THREATEN TRANSPORTATION HALT

PA192325 Bogota Television Service in Spanish 1730 GMT 18 Jun 85

[Text] A bomb was placed today on a public bus in the popular Miraflores neighborhood of Bucaramanga. This and previous attacks have placed this region on the verge of a transportation stoppage. Here is a report by Jairo Saravia:

[Begin recording] Transporters in Santander have threatened to stop their activities unless the authorities adopt special measures. Thirty-six buses have been [words indistinct], and 14 have been burned in the past 6 months, resulting in losses totalling more than 100 million pesos. Drivers in Santander have received death threats in the past few hours from subversive groups of the self-styled National Liberation Army and the Ricardo Franco dissident front. The threats [words indistinct] that the rebels left bulletins near (Bucarica), where the last bus was burned in the metropolitan area. The boards of directors of the Transcolombia, Unitransa, and Cotrander enterprises will meet unofficially to demand drastic measures from the authorities to stop the wave of terror affecting Santander's capital. [end recording]

OFFICIAL CALLS FOR STRENGTHENING TIES WITH USSR

PA191957 Quito Voz de los Andes in Spanish 1130 GMT 18 Jun 85

[Excerpts] A ceremony was held at the Foreign Ministry to commemorate the 40th anniversary of the establishment of diplomatic relations between the USSR and Ecuador. Soviet Ambassador to Ecuador Feliks Kovalev, Ecuadoran Foreign Relations Under Secretary Diego Paredes, and special guests were present at the ceremony. The representatives of the two countries called for the strengthening of the diplomatic ties between the two nations.

Foreign Relations Under Secretary Diego Paredes said that President Leon Febres Cordero's government is bent on improving the relations with the USSR.

[Begin recording] The government headed by Leon Febres Cordero is bent on strengthening Ecuador's international relations in order to have an adequate framework for our national policies in favor of the Ecuadoran people's economic and social development, independent of differences of an ideological nature, or in government systems. Therefore, Ecuador will maintain its open policy for dialogue with the USSR, in order to strengthen our relations in all those fields of reciprocal benefit.

At the international forums, Ecuador will continue to support the solution of the delicate problems currently affecting international coexistence, and to encourage policies leading to a real and effective disarmament, which should begin in our conscience and hearts, in order to improve the conditions for a positive international detente, and to guarantee peace and justice for mankind.

The Ecuadoran Government considers it a duty of all states to contribute to the strengthening of the United Nations and regional organizations, as international instruments for ensuring peace and understanding among peoples. [end recording]

ALAN GARCIA DISCUSSES NATIONAL SITUATION

PY190109 Lima LA REPUBLICA in Spanish 6 Jun 85 Supplement pp 2, 4-8

[Exclusive interview with President-elect Alan Garcia Perez by LA REPUBLICA Director Guillermo Thorndike on 3 June in Lima]

[Excerpts] [Thorndike] What kind of government will yours be? How do you envisage it on the first day as president-elect?

[Garcia] The beginning will be difficult, very difficult. The great hopes expressed through the results of the 14 April elections will stumble, and almost fall, because of the extremely difficult circumstances prevailing in the country. I feel that the hard days we are now living through will be followed by other initially hard days. However, I am sure that the endurance of the people's will as stated in the April elections will prevail. The people will not become disenchanted simply because the effects of a historical crisis cannot be made to disappear by waving a magic wand. These effects will persist for some time, perhaps for a few months. We will have to work hard to change the course of history...I do not even dare predict when things will start to ease up at the national level. It will take at least a few months. Several governments have helped plunge us into this crisis. In recent years inflation, unemployment, economic paralysis, and the central control exercised from Lima under the auspices of the latest regime have ended up sinking the country.... It must be made perfectly clear that inflation and unemployment are not a problem in themselves. They are merely the symptoms and expressions of a trauma and evidence of the deep division that is affecting the country. We are experiencing a crisis of lack of supplies, of poverty and of unemployment because we have implemented a dependent economic system that has been subordinate to foreign demands. We have been unable to be ourselves, to be true Peruvians; we have been dominated, or in the best of cases, we have been influenced by international capitalism and its own models.

[Thorndike] Mr President, can you discuss the consequences of this?

[Garcia] Look at the differences that prevail at the regional level: Lima absorbs almost everything, while the coastal region prevails over the mountainous region. Look at the distribution of income: 10 percent receives half; 15 percent is able to distribute something among themselves while the rest only gets misery and need. Look at the distribution of our economy in the different national sectors; on one hand we have industry and privileged administrative sectors; while on the other Andean agriculture is abandoned to its poverty and its immediate consequences, which is that informal and urban sector made up of the unemployed and street salesmen. There are millions of those people in Peru. These people have never had and do not have a government. It is my intention to be the president of these Peruvians and this is why we shall strive to create a different government, one that will be at the service of the poor, those who need us most. Our industry has been invaded by foreign resources. We must defend it but we must also change the centralist nature of this industry and transfer it from Lima. We must do the same with public administration and private services. They must be placed at the service of the 70 percent of the population who live on farms or in poverty and on whom we rely for the production of foods, which is the great solution to inflation. These people, these millions demand a decentralized social justice.

I want Peruvians to understand the following: The inflation rate we are experiencing is not the result of a monetary disorder, as in other countries. It is the result of the national structure and we shall be unable to overcome it until we are able, with great effort, to change this structure.

First of all, prices increase because our country has lost its capacity to produce. Secondly, there is a shortage of currency or foreign resources which day by day increasingly flee the country. Thirdly, the centralist and monopolistic structure of production centers abuse the nation's poverty. If I were to say that this situation could be changed within a short period of time, I would be making a demagogic and irresponsible statement.

[Thorndike] Mr President, it has been said that you have designed a pyramid that you usually show your visitors. It apparently describes the structure of poverty in the country, which will greatly affect your administration.

[Garcia] I can give you a long explanation, but it reflects exactly what I think as an American Revolutionary Popular Alliance [APRA] member about the existing inequality in Peru. Our society is characterized by its foreign dependency. (This is done first by buying resources; then by promoting only the industrialization of Lima; and now by making us pay debts. This foreign influence has distorted our reality. It has determined the centralist nature of our society.)

I have always believed that the injustice in Peru should be understood from three points of view. In the first place we have to view inequality from a regional point of view: Political decisions and economic means have always favored Lima and certain cities of secondary importance in the interior of the country. There is a serious clash of differences between the urban and rural areas, particularly between the capital and the coastal region, in comparison with the rest of the country. The claims that were made for the agricultural sector during my campaign were not made merely from an economic point of view (increasing food production) but also from a historical and anthropological point of view; that is, these claims were made in favor of the true Peru, of those Peruvians who are in the mountainous region without whom Peru has never resolved its historic problems. It was in the mountainous region that we reasserted the independence of the Americas. It was in the mountainous region that [General Andres Avelino] Caceres became the great defender of Peru. But instead, the country has been organized with its back to the mountainous region; even worse, by exploiting its inhabitants. This is the first view of injustice, from the regional point of view, which shows how the coastal region and the cities, particularly Lima, have been granted all the privileges....

In the second place, an analysis shows us that national economic sectors are truly separated by an abyss. On one hand, there is the sector that I dare to describe as modern, which is made up of the centralized industrial sector in Lima and which is not only made up of capitalists and businessmen but also of their organized labor structure, and in addition by the private services that are granted by our middle class and by the government administration.

This modern sector that has capitalized on almost all of Peru's investments throughout history is absolutely and completely separated from that which I call the marginal sector, which is made up of that 60 percent of the Peruvian population that is backward and that has no government. This marginal sector, which is located in the Andean rural areas, is made up of 4,000 peasant communities left to their fate. This sector is made up of owners of small plots of land throughout the national rural sector. It is the sector of the unemployed, of those peasants who come to Lima and who if they are lucky are hired into the so-called itinerant urban population [sector informal urbano]....

If we compare the two sectors, the modern and the marginal sector, we shall see that the division that affects the nation at the regional level also affects the structure of the national economy.

The government has only existed for the modern sector and for the coastal region. But we still have to analyze a third aspect -- the income sector -- and this is where the pyramid you have alluded to comes in....

If we build a pyramid representing the income of all national sectors, we shall see that situated at the very top is 2 percent of the population that is tied to large multinational companies, monopolistic corporations that control the nutritional sector of Peru (wheat, meat, milk); the large mining and fishing sectors; some financial sectors and low-level officials. It is a fact that this 2 percent of the active economic population represents 28 percent of our nation's income....

If we study the 8 percent that follows, and thus we complete the 10 percent at the top, we shall see that this is made up of the upper stratum of our middle class, of our small- and medium-sized industries. We shall also find that this is made up of privileged bureaucratic sectors that come from public enterprises (a few days ago State Petroleum Industry [Petroperu] businessmen were telling us that 11,000 persons earn 2 billion soles per year. This is equivalent to the salaries of 175,000 teachers), and here we also find the professionals, the small-sized mining sector, some of the suppliers of consumer goods, cash crop exporters (coffee, cacao), and farmers who produce selective products for consumption.

[Thorndike] How much does this 8 percent of the population earn?

[Garcia] According to several studies that have been made on the distribution of income, this 8 percent of the population represents 24 percent of the national income. Thus in gross terms, 10 percent of the upper layer (the economically active population) represents 52 percent of the national income.

Let's come further down -- if we look at the next 15 percent, we will see that it earns 25 percent of the national income. Here we find the civil servants and the unionists in Lima (unionized workers), who, as I said before, participate in the modern sector of the economy, and also some nonunionized urban sectors and sectors employed in modern agriculture (coastal valleys). This means that a fourth of the economically active population makes three fourths of the national income....

So it is -- so it is. What happens with the rest of the pyramid? Above, next to the privileged -- and I say the privileged in terms of the real Peru -- you find the formally employed urban workers earning minimum salaries (those earning 300,000 soles per month). Then you will find the underemployed, the urban and rural itinerant vendors, and the urban unemployed. Then comes the Agricultural Societies of Social Interests (SAIS) and some relatively organized communities and, at the base of the pyramid, comes the worst urban poverty and the peasant communities whose faces and reality become known through the dramas of Uchuraccay and Huaychao, for example.

If we apply the three criteria of injustice -- the regional, the economic, and the income distribution -- we will see that the Peruvian state has only existed for the modern sector: the cities, the coast, and 25 percent of the population. Here we have the centralizing, hegemonic bloc that a true revolutionary cannot fail to notice. The great efforts of the coming years should be directed at the economic recovery of the bulk (75 percent) of the population for which the state has not existed.

Why? To achieve social justice and economic performance. The industry in the modern sector and the pyramid's highest segment will not have a future without a countrywide consumer market. And this industry must help create this market by decentralizing itself and redefining its technological model.

Without the reactivation of that huge sector, which is the paralyzed the country's body, we will never have a different future.

[Thorndike] Mr President, how do you think this reactivation can be achieved?

[Garcia] Some only speak of reactivating the modern sector and the pyramid's highest segment. They say that industry should be revitalized and that the salaries of the administration must be improved. But since foodstuffs are not produced at the base, that proposal will generate imports of foodstuffs with devalued soles (dollars will be lost) and a very high inflation will result (because we will not be able to import foodstuffs and they will become more scarce). That is why we speak of a different and profound reactivation, tying together two large marginal sectors; the agriculture of the Andes that must produce such foodstuffs as corn, cinchona and potatoes to replace imported cereals and the unemployed urban mass that will have to be given employment so that it can consume these products. This is the reactivation we are speaking of. Thus, it is indispensable that early in our administration we concentrate all possible resources, reduce payments abroad, cut back nonessential expenditures, and, at the top of the pyramid, raise the awareness that the lives of thousands of peasant and shantytown children depend on this effort....

[Thorndike] Lives that are not even included in the statistics, I interject.

[Garcia] That are not included, that is the truth. I must tell the more affluent Peruvians that not making changes raises prospects that are ten or a hundred times worse. Why? Because each time we neglect our peasant population, there is less food. Thus, the Lima-based industries will have fewer buyers in the rest of the country and the crisis will become more acute. Second, if that 75 percent of our population doesn't notice a change, it will rightfully exert pressure on the 2 percent at the top of the pyramid, and then on the 25 percent close to the top. And subversion, whether or not it is violent, will have a richer medium in which to grow. Third, if we continue to concentrate the national resources to make the rich richer and to pay an administration that manages what the country does not produce, each sol so spent will only generate more inflation. The Peruvian democratic revolution must be one of production and distribution.

Under a principle that would be equally supported by the most conspicuous socialists and the most passionate liberals, we maintain that everyone must enjoy the fruits of his efforts, his imagination, and his intellect, as well as earn his living through his own work.

We do not believe in enforced egalitarianism. Each human being should through his efforts and intelligence try to get the most out of life. We do not believe that circumstantial situations of economic monopoly and political predominance should serve as pretexts to exploit and subjugate others. In other words, those affluent Peruvians, unlike Cain, must watch over their weak and poor brothers.

[Thorndike] You just described your incoming administration as a democratic revolution. Mr President, could you describe this process in depth?

[Garcia] The term "democratic revolution" is in fact intrinsically redundant, because a revolution can only arise from a strong democratic drive in all social sectors and levels. Humanity has achieved democracy in the last few centuries, and it cannot benefit minority groups within societies. Everyone, without exception, must have access to democracy or it ceases to exist. The revolution, as far as we are concerned, is the process that improves and broadens democracy. We oppose all types of dictatorship, be they political or economic.

To quote remarks Haya de la Torre made in 1931, we oppose those dictatorships that claim to draw their power from money, as well as those that sprout from below by depicting themselves as the alleged beginning of a dictatorship of the proletariat.

We believe that democracy reaffirms freedom, pluralism, and the right to dissent and to express opinions. It means respect for private property as a means for generating wealth as long as this does not imply going against the rights of the citizens. I am a staunch champion of the freedom of expression, of artistic creativity. These are values that must be preserved despite the worst difficulties an administration may encounter in the economic field.

[Thorndike] How does this revolution apply to Peru in our time?

[Garcia] This revolution must give all Peruvians access to things that Lima has had access to so far. The state must take care of the peasant communities. The state must take care of the unemployed and the street vendors. The state must take care of the widows and the orphans. Let private property, which we defend, be accessible to those who so far have been able to own only misery. These proposals are sincere, they have nothing to do with electoral campaigning, because they are the result of our belief in social justice the way Haya de la Torre taught us.

But if we are to make a revolution, we must establish a nationalist government that will defend our right to produce, and keep Peru from becoming merely another market of international economic sectors. The time has come to pay the historic debt that the government and Lima have with the rest of the Peruvian people. We need a government that will restructure itself so that we can reach the poor peasants and the urban poor through and with the help of their municipalities, and by admitting that they have the capacity to organize themselves into shantytown federations, mothers federations, and street peddlers federations. While campaigning in Huancayo, I said that I reproached the harsh punishments that are imposed on street peddlers, who are true heroes for refusing to be criminals or subversives. At that time I said that I believe the government is the most unreliable institution that we have, because it does not exist, because it is a deceit, and because it is a lie for 75 percent of the Peruvian population. In sum, the solution to our historic problems will not come from without but from "within," from the depths of our country, that which is made up of peasants and the unemployed of the cities; from the collective and historic force of those who until now have been overlooked by the government.

[Thorndike] Mr President, what kind of support do you expect to receive from the country? I am under the impression that people were expecting you to be more traditional, to be more cautious, and even to be more conservative, less revolutionary.

[Garcia] Democracy is designed to help the poor. I believe that after understanding the ways in which income and the decisionmaking power is distributed in Peru -- regionally, sectorially, and socially -- we must insist on what we said during the campaign: We are seeking and we need the support of all Peruvians to undertake a historic transformation program. We are striving to achieve a promising future; we are not establishing mediocre or small goals for ourselves. I have already said that the government must be reorganized to serve the needs of 75 percent of Peruvians. This is a task that will demand the efforts of all Peruvians. For example: We must decentralize the government in order to be more effective in the microregions. By microregion we mean that small area in which the government must be present with all its social services such as education, health, production and technical assistance programs, credit programs, and marketing programs; and which, in addition, must have road construction services; silo construction programs; their own production areas; in sum, a region in which the local population, through its municipal districts, may organize itself to receive benefits from the government and supports its action.

I will give you an example: The INADE, the National Development Institute, and the Puno Department Corporation have established several successful microregional programs (Messrs Maruy and Bory [not further identified] are experts on this). In Puno there are 11 microregions that have been noted for their successes in specific projects concerning hydraulic, energy, potato and barley production programs. If we are able to expand these microregional programs to the high Cuzco provinces and to those departments that are under the state of emergency (Ayacucho, Huancavelica, Apurimac), we will be able to achieve more effective and rational government action.

I have referred to those departments which I call the Andean triangle, but the microregion concept, which groups all government services, must be extended to the rest of the country. We want to promote agricultural production and reorganize our consumption of corn, thus returning to the traditional Peruvian diet.)

The unemployed and the peddlers of the cities must be made to increase their demand for consumer goods and staples, so as to absorb the increased agrarian production. Furthermore, since the underemployed and the unemployed are concentrated in our shantytowns, we need the municipalities and their grass-roots organizations to be the great democratic support of the new state in order to create massive employment, seeking that the subsidies are well distributed....

We have been told that the ENCI [expansion unknown] milk, which is being subsidized, is being used in the ice cream and chocolate factories and is being sold in the well-to-do neighborhoods wile it has disappeared from the poor neighborhoods....

But let me get back to the first part of your question: What cooperation do I expect to receive from the social groups -- the labor, popular, and independent sectors that make up the upper portion of the pyramid, that is, the 25 percent group? They are the ones who are to exercise political and humane solidarity to benefit the vast majority of the neglected people. They also need a clear-cut awareness of the following: First, what is Peru's true and current situation concerning its foreign debt and its budget; second, what is the historical background of this situation and how it has become centralized in the country to the point of neglecting 3 million Peruvians; and, third, the symptoms of this crisis cannot be surmounted overnight but that any sacrifice will not be made to increase injustice but to lay the groundwork for a more righteous society.

And who is at the top of the pyramid? Owing to their great leadership responsibility, those who are at the top of the pyramid must understand that we not only need a reactivation but a profound transformation. I previously announced this during the Annual Conference of Business Executives (CADE). We do not need a cosmetic reactivation of the most-developed sectors of the country but an all-inclusive transformation to strengthen the nation. We must also protect the modern industrial sector by avoiding foreign competition and by protecting those who live off private services and public administration. However, we should also try to avoid making this a bureaucratic country that is managed by an increasingly unproductive economy. This is what a true revolution aimed to benefit the majority should encompass. As for those sectors in the higher brackets (2 percent) that dominate the economy and the productive sectors, they must understand that we must undertake a transformation that will guarantee our coexistence.

Those who are better prepared, those have received the best the country can offer, those who have had the best opportunities, must now, in turn, help the country. We appeal to their sense of justice to give their leadership capacity and their knowledge to help those who are less fortunate and to open up their hearts and help their fellow human beings.

They must be good Peruvians and good Christians. Democratic transformation is that which is based on persuasion and understanding, not on imposition. A true, lasting resolution is inspired on the loftiest of ethical values, and it is carried out based on feelings of brotherhood and solidarity by those who suffer. It cannot be achieved through sheer force.

[Thorndike] We know that during your administration, Peru will reassert its position within the Nonaligned Movement. But we are also interested in knowing what attitude Peru will adopt regarding our participation in the areas of influence of the superpowers, like the United States, for example.

[Garcia] Haya de la Torre termed transformation as anti-imperialism; that is, to rescue the country from those distortions imposed on it by the influence of the international economy. Starting out as a country that exported resources and imported industrialized products, and later on as a country in the process of developing a centralized industrial system, Peru has accumulated debts and experienced a deterioration in the prices of its resources, thus becoming a debtor country with an open economy. We reassert Haya de la Torre's words, but we cannot adopt an isolated position by ourselves. Before we discuss the superpowers, we must think about the possibility of achieving regional integration with those countries that are experiencing situations similar to ours, countries that have followed the same path and are experiencing the same dramatic situation.

Our antihegemonic international policy will seek to achieve a just and egalitarian treatment with the more developed countries, but it will also reassert its independence regarding the political and economic conflicts that prevail among the superpowers.

As you have mentioned, it is true that we are under the influence of one of these powers. In view of this, we Latin Americans must make the bold decision of achieving our regional integration and enforce our own political and economic policies.

I am confident that in the near future we will be able to achieve Latin American integration, which is the true objective of democracy and of socialism. We will remain weak unless we are able to achieve the integration of our realities and of our destiny. If we fail, each one of us, each country by itself, will only be able to manage a country characterized by the lack of supplies and poverty. But if we can achieve integration, we will be able to undertake the negotiations of our foreign debt on better terms; we will be able to consolidate subregional agreements like the Andean Pact and better coordinate our economies, which laboriously but unsuccessfully make the same efforts without achieving anything. Perhaps integration will allow us to achieve well-being and justice by the year 2000.

[Thorndike] Don't you think you are proposing a form of isolationism beyond Latin American integration, an isolationism outside the integrated Latin American countries? Don't you think your answer is somewhat chauvinistic?

[Garcia] By no means. Chauvinism and xenophobia are ideas alien to the regional concept. We must also integrate ourselves with the rest of the world, but under better conditions.

[Thorndike] Where are we going to obtain the knowledge we are lacking?

[García] Integration is a means of compensating for our shortcomings and weaknesses. It should also be a means of guaranteeing a fair and necessary relationship with the most important countries of the world, especially the United States, which is the closest one to us and from which we need to acquire vast intellectual and technological resources.

If the international economy is experiencing a revolution, then it is currently taking place in the United States, a country that is gradually producing fewer manufactured goods and increasingly accumulating more know-how, technology, and computerized services. Ninety-five percent of the "chips" [in English] and integrated circuits are produced in the United States and Japan. The current wealth of a society is measured by its knowledge and capacity. This allows it to be able to do without raw materials that used to be considered essential, such as silver and cooper, and to replace them with other commodities that separate the economies of those developed societies from the poorest countries. We cannot live ignoring human intelligence, which belongs to us as much as it belongs to them. We need communications at the cultural, economic, and technical levels.

Personally, I admire the U.S. people and their history. I admire their historians and philosophers; I admire Jefferson. As most Latin Americans, I believe that U.S. administrations have made great mistakes regarding Latin America and that the United States, as well as other countries, have benefited from our condition as a subordinated country with a primary economy.

However, if we propose greater independence and justice in our treatment by them, it does not mean that we do not acknowledge the incredible effort made by the U.S. people throughout their history, by those pioneers who crossed mountains and valleys that are now the bases of their power. This power does not lie in their nuclear warheads, but in their agricultural production capacity. It is not its nuclear power, but its grain producing power that dominates the rest of the world. It is the enterprises that market and export wheat, meat, milk, corn, and soybean that dominate the world markets. One must acknowledge that, in addition to its geological and geographical advantages, this is the result of the effort made a century ago by those who conquered the West and set the ground for an enormous wealth.

[Thorndike] Mr President, what is your government going to do to increase the Peruvian people's educational and technical levels? Are you aware that a personal computer in Peru costs twice what it costs in the United States?

[Garcia] We must introduce technology at various levels. In the mountainous areas, for example, the people still cook over open fires because they are not familiar with the rudimentary technique of surrounding the fire with a mud wall to provide three times the heat. This is technology. Undoubtedly, there is also that aimed at increasing production and at decentralizing the industry installed in Lima. We must also make a great effort so that our youths and children receive an adequate education. We can no longer continue counting with our fingers, using primitive mathematical problems that no longer need to be solved by the human brain because they are solved by machines and computers.

I will cite an example: The Constitution states that the president of Peru is the head of state and that he represents the nation. I believe that the president should be aware of the real situation in the country and that he can keep abreast of this through documents he receives from government officials or weekly meetings held with each of his ministers. However, an information system and a central administration that relies on circuits and computers would give the president, free of cost, a permanent line of communication with all the ministries in the productive sectors, departmental organizations, the Central Bank, and the financial system.

Thus, without the need for protocol, or the loss of time, every day the president can ask the Central Bank the amount of the daily monetary issuance and to where it has been earmarked. If the Central Bank answers that the money was issued to the Agrarian Bank, the president can in turn ask the Agrarian Bank what credits, goods, or projects the money is covering.

He can also compare the mentioned data with the corresponding departmental corporation and, if necessary, place the agricultural offer on the market at the market price.

He can also find out what projects are underway and what progress they have made. In other words, the president can be aware of what is going on in the country; that is what technology is for.

[Thorndike] Mr President, individuals, local citizen groups as well as those abroad, and foreign governments are deeply concerned about the increasing cocaine traffic from South America to the industrialized countries, mainly to the United States and now Europe. This implies a large movement of illegal money within the country, and a distortion of the economy of the Selva region. Furthermore, it is responsible for a state of corruption in the institutions charged with repressing that very traffic, including institutions that must judge and sentence related cases, and even among judges of the prison system. This calls for a continental war on cocaine. The current government has done practically nothing in this regard. What does your government propose to do, Mr President?

[Garcia] The change should not only impinge upon the economy, but on morals, especially in this area where, to the eyes of the world, we appear to be a country that exports poison. The next government will undertake an all-out war on drug trafficking and internal consumption, because important sectors of our youth are being deranged through the use of drugs.

Another reason, and it is well known, is that this money has corrupted many of those who should be repressing this traffic. I think that the actions undertaken by the Government of Colombia constitutes an example as to what should be done in Latin America. The next government is likely to engage in joint actions with the Colombian Government, because the raw material that is processed in laboratories in that neighboring country comes mainly from the Selva region in Peru.

The freedom of movement that the drug traffickers have enjoyed so far, wrestling the state's sovereignty over delimited areas of the Selva, makes one think of a state of serious neglect of national security on the part of the Peruvians. The concept of national security is confused with the continuous acquisition of exotic and sophisticated weapons. In other countries, the idea of national security is present in all decisions by governments, private enterprises, and labor unions. It is a constant concern.

[Thorndike] It would be appropriate, Mr President, for your government to clearly define what is important to national security, and to establish a scale of priorities for national defense. Is not a healthy country, free of the corruption of drug trafficking more important than a country with advanced military equipment? Is it not difficult to defend a country, no matter how powerful its aeronautical equipment, with a hungry and neglected population?

[Garcia] According to our Center for Advanced Military Studies (CAM), the concept of national defense encompasses the military, economic, and social areas as a whole. As you hinted in your question, this means that the development of Peru, and the equitable and just distribution of its resources is a contribution to national defense. For the purpose of national defense, which also has an internal front, there must be solid and full support from the population in a context of equality, justice, and well-being.

I agree that not only Peru but other countries that are in serious conditions as debtors, suffering from an internal deficit, should expend, obviously beyond their economic possibilities, in military defense. [sentence as published] But I must say that Peru, unlike other countries, has not made large military expenditures. However, it is still advisable that more resources be apportioned to restructuring the country.

On the other hand, we cannot forget that the sophisticated Armed Forces of our times must use in the poor countries the same advanced computation and intelligence equipment used in the rich countries. This, of course, is beneficial to the rich countries that sell this equipment.

[Thorndike] Without endangering Peru's security, is there any way to decrease the allocation to weapons?

[Garcia] Any reduction in military expenditure must be viewed from a regional standpoint. Peru cannot unilaterally do away with this expenditure. It cannot be left defenseless as long as the rest of the countries in the region do not give up the idea of future without aggression. Just as the nations of the Northern hemisphere try to reach agreements on military expenditures, reducing and controlling the stockpiling of rockets and nuclear warheads, the South American countries, I think, could sit at a friendly conference table and agree on the limitation of military expenditures. I believe that an agreement can be reached because, despite any problem or misunderstanding, the people and the statesmen will come to realize that the first enemy is now represented by the foreign debt, hunger, and poverty of the population.

[Thorndike] How will you implement the programs for the redistribution of wealth that you have announced?

[Garcia] During my electoral campaign I presented a plan of government that can be outlined as follows: Nationalization of the country's economic management (which does not mean to transfer the sector to the hands of the state); renegotiation of more advantageous conditions and longer terms for our foreign debt; preservation of our productive capacity, which has been overwhelmed by imports; and nationalization of local consumption in order to restore Peru's agrarian productive capacity.

I also said we have to democratize government action by improving the distribution of resources without sidelining any sector. To this end, we must change the structure of old communities, shantytowns, and municipal districts, so that they can serve the people. The Development Bank should grant small but efficient credits to the agricultural sector for housing projects, craftsmen, and small mining companies of these areas. I said that the best way to curb inflation, which is a symptom of an old historic crisis, is to increase food production, because wage earners use 60 percent of their income to buy food. Food prices are rising because of the increasing shortages and because we may not expect to obtain credit to buy food from foreign suppliers. That is why inflation should be countered with production and with an effort to prevent centralization from fueling food price speculation. I have already said, and I will reiterate now, that production should be promoted in those areas where there are millions of unemployed Peruvians, who will have jobs and who will thus become the buyers of the goods manufactured by Lima's legally and illegally established industrial sectors.

To attain these objectives I requested the cooperation and the support of all Peruvians. When I said that my pledge was addressed to everyone I was not referring only to the 2 percent on the top of the pyramid or to the 25 percent with employment or other means of income. I was referring to all the Peruvian people, including the neglected sectors, which make up 70 percent of the population, and which, I reiterate, have never received any benefit from the government.

I said we have to promote domestic saving and make more Peruvians pay their taxes, even if the amount is small (only 10 percent of our 350,000 professionals are taxpayers). I said we have to put an end to the exemptions granted to the groups that enjoy economic privileges, so that those who enjoy the higher standards of living pay taxes to benefit those sectors that have remained historically outside any government support program.

I said we have to reduce all government expenditures not aimed at the great objective which we have set for ourselves: the creation of new jobs for those who live in ghettos, with particular care to eliminate bureaucracy and avoid superfluous spending and pharaonic projects that are not urgent. This will help persuade people to engage in an effort of solidarity, particularly those of us who have received some kind of government protection because we live in Lima, because we are the owners of the productive apparatus, because we have good paying jobs, or simply because we live in the modern sector. But this government is not yet democratic, because a democratic government should serve all Peruvians.

I believe this action should be undertaken from a social, ethical viewpoint, far from the "every man for himself" approach or from the intention of working less and earning more through speculation. Our actions should be based on a genuine understanding of the Peruvian situation. We should not forget that the interests of the nation are more important than the interests of individuals. We should not forget that just as the state is at the service of the people, the people and the state are at the service of Peru.

I believe we must wake up the dormant hero each one of us carries within himself in order to conscientiously face up to this traumatic situation without despair. This is a historic and economic war and we are in the middle of the battlefield fighting underdevelopment and misery. We are entrenched in our last positions. We will see who stands firm, who is willing to take the risks and overcome the difficulties, and who deserts his position driven by utopian or desperate thoughts claims that he can be happier somewhere. I believe we should follow the example of our heroes of the past century. Let us recall Bolognesi in Arica and Grau on the Huascar monitor's deck. They challenged what was then impossible. Today, 100 years later, the more intelligent Peruvians must again challenge what is impossible as in those terrible days, the war that we are now waging against underdevelopment and misery is also to the death. It is one against hunger, neglect, and oblivion.

I want to say that this country does not capitulate. Just like Peru came back fighting from the depth of the La Brena, it will come back from hunger and poverty, holding high the banners of human solidarity. I have heard the demands from many sectors and unionist groups of Lima, the centralist capital, as well as from sectors of the public administration that have for years seen their income shrink. Their numbers have increased. I have also heard several business sectors ask for credit, and fiscal incentives, and I continue to think of the need to bring all of them to a table and explain to them that if we are going to do any good, those who have more should contribute more, and those who are stronger should bear their share of the crisis. But even if we do this, the consequences of this historical crisis will continue to be felt for some time.

Also, those who can complain in the city should also think of the large majority who do not even have an organized capacity to complain, that is, the majority of commune dwellers, the unemployed, the condemned. The 2 percent with the highest income and the 25 percent of the highest modern sector are better off than the 75 percent of those who are not in the mainstream of the economy. For instance, of more than 25,000 who are employed in the agrarian sector, 15,000 are in offices in Lima, and the other 10,000 in the most important capitals of the country. Who looks after the communes and the shantytowns, or is engaged in extension work among the peasants? The state gives nothing to those peasants. However, I have been amazed to see that ministry employees are asking that 24 June be declared Day of the Agrarian Workers and that the workers be paid a bonus equal to eight times their salaries. These are the anecdotes of centralism. The same thing happens in other sectors. A few days ago, the Peruvian Oil Company [Petroperu] managers explained to me that 2.14 trillion soles are necessary to pay the 11,000 employees of that enterprise, which had only 8,000 employees in 1980. Two trillion would be enough to pay the 175,000 Peruvian teachers.

Two trillion is five times the 38 billion soles budget of the Corporation of Ayacucho. If we take a look at the income of the monopolic groups, we will see that the situation is the same or worse. To reorganize the economic system with justice, I believe that the state should also be balanced within the social whole. For many decades, our country has been submitted to plunder and despoliation of its economy, taking resources out of the country. The current situation is dramatic, because what was taken out will not be brought back. We have been left with scant resources. An excessive number of factories have been brought from abroad and do not have consumers for their products, and millions of peasants do not know what or how to produce.

In this situation, after thinking about it, there are two roads: One of those who yield to despair and criticism and then flee; and the other for those who are willing to open a new chapter, to work hard and suffer hardships in order to build, from its foundation, Peru, which is all that we have.

The foreign debt is the link of current relations between the rich and the poor countries. The foreign debt has a lot to do with the huge bank deposits of the Arabs from their oil revenues that were irresponsibly managed by the Western banks. But, in the second place, the foreign debt has to do with the irresponsibility of our government officials who have kept building up the debt, accepting very high interest rates, as high as 20 percent on the average some years ago. In the third place, the foreign debt has benefited, to a greater or smaller degree, the sectors I refer to as "the centralist hegemonic bloc." The foreign debt has certainly benefitted more those who were already economically affluent. For instance, where have the thousands of millions of dollars of debt gone, discounting the inevitable military expenditures? First, to the centralist industrialization process that has been financed with credits granted by the government (example: the Industrial Bank), credits that were concentrated in Lima, where 80 percent of the industry is located, to give jobs to a reduced number of Peruvians. Second, to finance the import of finished manufactured goods (television sets, cars, luxury food, etcetera) for the benefit of sectors within the 30 percent of the population with the highest income.

In the third place, to projects which, in sum, enriched some contractors, mostly benefitting the coastal sector of the country and completely leaving the Sierra aside. Just think that the Mantaro hydroelectric plant supplies energy to Lima and the coast, and that only recently, when the Huayucache station was installed, did it begin to supply the Mantaro areas itself. Very well, this debt was increased by the unbelievable levels of interests in the 1970's.

Now, whether we like it or not, we have to face this reality, not only because of our mistakes, but because the centralization has led us to incur that debt. But Peru is an honest country and will be responsible for its mistakes, even if they were made by bad governments. We are going to pay. We are telling the world that we will honor our commitments because we are an honest country. But we also say that we need different terms and payback periods, that the creditors, for their own good, should let us reactivate our economy so that we can make the payments without further delays. For instance, this year we will have to pay $3.7 billion in interests that fell due last year. This is equivalent to more than 100 percent of our exports, which amount to $3.5 billion. The outgoing government has been negotiating the so-called "rollovers," with postponements of payments every 3 months, and paying a small amount each time. Now they are demanding that we pay more in June and I am sure that our foreign reserve position will make that impossible.

With our project to make our economy more productive and fair, we have to call for a direct dialogue with our creditors.

[Garcia] That dialogue has proved impossible so far, because our creditors have demanded a certificate of good behavior or good intentions from the International Monetary Fund (IMF). And this institution, in our view, has viewpoints that are perhaps acceptable in a developed and full-employment economy, but which are wrong in a situation like ours, therefore, we cannot accept its conditions. This is why we want to have a direct dialogue with our creditors, including responsible discussion about our economic programs that support our intention to pay later.

[Thorndike] Mr President, could you tell us something about your self? How do you feel at this time?

[Garcia] I feel satisfied with the great responsibility the Peruvian people have placed on my shoulders. I feel satisfied about the possibility of keeping alive the expectations of thousands of APRA members who are willing to meet this historical challenge, which, I know, will rally the people of Peru -- a just, conscientious, realistic, and revolutionary people.

[Thorndike] At this time, Mr President, how do you remember Raul Haya de la Torre?

[Garcia] I remember him as a moral conscience because of the example of his life and his personal austerity and sacrifice. I believe that many of the things that we must do now more rightfully he should have done. This is a responsibility that, more than mine, is his and that of those sexagenarian companeros who on 14 April and on 4 June, I am sure, cried out their emotion, just like other men and women. When I received the news that I had been proclaimed the first APRA president, I was accompanied by legislators, the congressmen of my party. What moved me more then was the tears the veterans shed. As the son of an APRA member, I think of the many years the APRA has waited for a victory and the election of its first president. I received the embrace of Fernando Leon de Vivero, an old combatant who cried on my shoulder on behalf of all the party people. I can still feel that emotion. If you ask me what I will do for our country, plagued by injustice, scarcity, disappointment, and 100 years of plunder, I will tell you this: God, the people, and the APRA have given me a responsibility to test me personally, to test my companions, and all Peruvians. As for myself, out of respect for ancient Peru, for Haya de la Torre, for my parents, and my children, I can tell you that I will not disappoint them, nor will I let the circumstances frighten me.

PUBLIC HEALTH WORKERS CALL 48-HOUR STRIKE

PY202222 Paris AFP in Spanish 2233 GMT 19 Jun 85

[Text] Lima, 19 Jun (AFP) -- Union sources have reported that about 60,000 public health workers today called a 48-hour strike, joining the indefinite strike that was called yesterday by 400,000 Peruvian public servants in demand of better salaries. The indefinite strike is being partially adhered to in the majority of the 18 ministries and official government offices despite a government warning that it will make the appropriate deductions from the salaries of those who comply with it.

Raul Caballero Vargas, general secretary of the Inter-Sectorial Committee of State Workers (CITE), has stated that the workers are demanding a salary increase equivalent to $25.6 per month; increases in other benefits; the reinstatement of dismissed workers; and legal recognition of their union.

The prime minister's office has issued an official communique stating that during the first half of the year the salaries of public servants were increased 81 percent and that up to July these increases, which have been gradually granted since January, will total a sum equivalent to $34.18. The communique also notes that the government has complied with an agreement achieved last March through which the CITE ended a 1-month strike held to demand salary increases.

It adds that these new economic demands will seriously undermine the budget of the government that is to assume power on 28 July and that it will be impossible to meet them. The CITE has threatened that the public health sector may also decide to join the indefinite strike as of 21 June, which would affect health service at the government hospitals.

Government Condemns Strike

PY201600 Lima Cadena America Television in Spanish 0330 GMT 20 Jun 85

[Excerpts] Prime Minister Luis Percovich has said that the state employees have no reason to continue their strike. Meanwhile, the workers have stepped up their strike measures. In Lima, administrative employees of the education sector have occupied 14 schools.

In turn, judicial branch employees have also joined the strike, paralyzing all legal procedures.

Prime Minister Percovich has condemned the strike of the Inter-Union Confederation of State Employees [CITE] in the following terms:

[Begin recording] Regarding the CITE strike, I should reiterate what was said in our communique: The government has always complied with all petitions for salary readjustments. On an average, the salaries of public employees were increased 81 percent from January to June. There should be no more pending economic claims. [end recording]

OIL DELEGATION RETURNS FROM ECUADOR, VENEZUELA

FL201710 Mexico City NOTIMEX in Spanish 1515 GMT 20 Jun 85

[Excerpts] Mexico City, 29 Jun (NOTIMEX) -- The Mexican oil delegation led by Francisco Labastida Ochoa, secretary of energy, mines, and parastatal industry (SEMIP), returned to Mexico after a 52-hour trip to Ecuador and Venezuela.

The SEMIP secretary met with Presidents Leon Febres Cordero and Jaime Lusinchi to continue consultations on the advisability of carrying out joint actions to stabilize the international oil market.

He also met Ecuador's Natural Resources Minister Javier Espinosa and Deputy Minister Fernando Santos Alvite. According to Santos Alvite, his country is effectively committed to market stability and therefore neither gives discounts nor engages in commercial practices that might affect the market.

In Venezuela, President Lusinchi held a 2-hour talk with the Mexican delegation and proposed that existing cooperation mechanisms be bolstered so viable formulas can be found by common agreement.

FINANCE SECRETARY REACTS TO INTEREST RATE DROP

FL192343 Mexico City NOTIMEX in Spanish 2007 GMT 19 Jun 85

[By special correspondent Gregorio Alpizare]

[Text] Bonn, FRG 19 Jun (NOTIMEX) -- The half point prime interest rate reduction in the international financial markets represents a $350-million savings on the Mexican foreign debt service charge payments, Jesus Silva Herzog, Mexico's finance secretary, said here today.

The official said this is not comforting, but it is a positive factor that lessens the negative effects of the $1.50 per barrel price reduction of Mexican oil announced last Monday.

The interest rate reduction was established by the finance market yesterday and, in addition to other adjustments made since December, represent for Mexico a total savings of $1 billion, said the secretary.

He also said Mexico will stop receiving $290 million within the next 6 months due to the crude's price drop but this will be compensated in part by the reduction of the foreign debt service charges, asserted during a press conference where the results of President De la Madrid's visit to this country were reported.

Silva Herzog forms part of the Mexican delegation accompanying Mexican President Miguel de la Madrid on his official European trip.

Views Foreign Debt Problem

FL201428 Mexico City NOTIMEX in Spanish 2258 GMT 19 Jun 85

[By special correspondent Gregorio Alpizar]

[Excerpts] Bonn, FRG, 19 Jun (NOTIMEX) -- Mexican Finance Secretary Jesus Silva Herzog today referred here to the urgent need to equitably distribute the foreign debt problem, until now exclusively borne by the developing countries. The Mexican secretary demanded that creditor nations share in this problem.

He added that the Mexican Government insists on equitably distributing the costs of service and adjustment over the next few years, and reiterated the demand that advances be made in the international review of this situation in order to reduce costs to debtors, expand deadlines, and introduce better payment conditions.

At a press conference, at which Mexican Commerce Secretary Hector Heranandez and Foreign Secretary Bernardo Sepulveda were also in attendance, Silva Herzog asserted that a reduction of interest rate levels for indebted countries is urgent if one of the major obstacles to development is to be eliminated.

In this connection he said that one of the best things might be to eliminate the U.S. public sector's deficit because, due to the size of that country's economy, any domestic decision has repercussions abroad.

Later he asked that effects on the rest of the peoples be taken into consideration whenever domestic economic decisions are made in the United States, as this is a factor that leads to interest rate hikes.

DE LA MADRID VISITS FRANCE, MEETS MITTERRAND

For Paris and Mexico City coverage of the visit to France by President Miguel de la Madrid, including his meetings with French President Francois Mitterrand and Prime Minister Laurent Fabius, see the France section of the 21 June Western Europe DAILY REPORT and subsequent issues.

CHURCH DOCUMENT APPEARS IN PAN PUBLICATION

For the text of the "Pastoral Guidance of the Mexican Episcopate with Regard to the Elections," issued on 25 April in Mexico City and published in the 2 May Mexico City DOCUMENTACION E INFORMACION CATOLICA, the official publication of the Mexican Episcopal Conference's Mexican Center for Information and Documentation, and republished verbatim in the 15 May Mexico City LA NACION, the official organ of the National Action Party [PAN], see the JPRS LATIN AMERICA REPORT of 20 June (No JPRS-LAM-85-055), pp 61-63.

BRIEFS

AMBASSADOR PRESENTS CREDENTIALS -- Mexico's new Ambassador to Honduras Francisco Correa Villalobos today presented his credentials to President Roberto Suazo Cordova. [Excerpt] [Mexico City NOTIMEX in Spanish 0040 GMT 21 Jun 85 FL]

EL SALVADOR

DETAILED ACCOUNT OF SAN SALVADOR ATTACK

PA201352 San Salvador Radio Cadena YSU in Spanish 1250 GMT 20 Jun 85

[Text] We have a complete chronological report on the bloody developments that took place last night in the Zona Rosa. At approximately 2100, when approximately 40 people were dining and drinking in the Zona Rosa, in the San Benito neighborhood, at the (Flight Ben), Mediterranee, and Los Chiles Cafes, approximately 10 armed men, dressed in fatigues similar to those used by the Salvadoran Armed Forces, jumped out of a red pickup truck. The men stood in the street in front of the cafes and opened fire with high-caliber weapons. The attack lasted 7 minutes, during which panic and confusion reigned. It was confirmed that the men, members of the urban guerrillas -- according to official reports released by the government, Army, and U.S. Embassy -- used M-16 and G-3 rifles.

Eyewitnesses report that the men fired at anything that moved. The luckier patrons threw themselves on the cafe floors to avoid the shots. Others fell alongside the tables, where moments before they had arrived to share a good time after work.

A witness to the killings said he saw glasses broken by the bullets and businessmen laying dead on the floor. Guatemalan tourists on a first-time visit to the country lay dead next to the body of a U.S. Marine. The flashing lights of patrol cars and the bewildered looks of government officials and eyewitnesses contributed to the climate of the Zona Rosa.

The difficult task of identifying the victims of these new killings staged by the FMLN, according to the initial reports heard after 2100, began at approximately 2200.

Government officials, including Deputy Security Minister Colonel Reinaldo Lopez Nuila, Communications Minister Julio Adolfo Rey Prendes, Armed Forces Committee [Coprefa] Chief Major Armando Aviles, and Francisco Jose Guerrero, president of the Supreme Court of Justice, arrived at the site of the killings, condemning them.

Confusion reigned at 2230, when the patrons began to identify some of the victims. Tension and frustration filled the patrons, who demanded explanations of what had just happened. At 2300 the task to identify the victims was under way. Thirteen bodies, eight of which were still in the Zona Rosa, were identified. Families began to identify their loved ones.

At 2400 the official list of names was confirmed. First are the four U.S. Marines: Thomas Handwork, Gregory Weber, Patrick Kwiatkowski, Bobby Joe Dickson, and two U.S. civilians: George Viney, of the Wang computer company, and Robert Alvidrez, also a computer expert. The list includes Guatemalan national Osvaldo Gonzalez; Chilean Richard M. (Snap Alvin) [word indistinct] a nephew of the scientist and poet Alice (Landero de Interino); Salvadorans Humberto Faez Ceballos, an attorney, and university professor Jose Matias Delgado. The list includes Jose Elmer Vidal Penalba and Humberto Rosales Pineda, manager of the (Interdata) Computer Company. These are the 13 victims of the attack who were finally identified at approximately midnight.

At 0100 this morning the U.S. Embassy in San Salvador officially acknowledged the deaths of the four U.S. Marines. The Zona Rosa crowd began to thin out and only Armed Forces troops remained, clearing traffic while cafe employees closed up after the bloody attack.

Vice President Condemns Attack

PA201523 San Salvador Radio Cadena YSU in Spanish 1417 GMT 20 Jun 85

[Vice President Rodolfo Antonio Castillo Claramount's message to the people -- live]

[Text] Last night's attack is cold terrorism, something we have never had in our country in spite of the wave of massacres and bloodshed that has devastated our people in recent years. I repeat: We have never had such cold, vandalistic, criminal terrorism. This is indiscriminate murder, merely for the purpose of sowing terror and panic and breaking in this manner the Salvadoran people's will.

We deeply regret the deaths of all the people, regardless of nationality; they are all human beings who have been killed at a time when they were harming no one. It was not a military or punitive action, as these terrorist assassins call them. This is indiscriminate murder, shooting at random, in order to kill anyone around.

We are deeply moved, and I wish to avail myself of this opportunity to express my personal condolences as well as those of the Foreign Ministry, and of course, of the government to the relatives of those killed, to the institutions and enterprises at which these people worked, as well as to the Salvadoran people. This action is something that causes quite an impact on the peace-loving and Christian minds of the Salvadoran people.

The government will officially make a pronouncement to this effect, and of course, the investigations began last night. The deputy public security minister has been at the location, and all possible investigations are being carried out. As you all well know, the possibilities of investigations are very limited in cases such as these, but we will do our utmost to determine who is responsible for this attack, which cannot be even called vandalism, there is no way to describe this action.

My dear friend, Raul [station announcer], I see here the hand of those cold-blooded assassins who frequently come up in international news reports in Europe, such as the ETA [Basque Fatherland and Liberty] criminals in Spain, for example, who stage very similiar attacks, or even to PLO. Undoubtedly, this was an experienced, technical, professional job. We reject it, we deeply regret it, and we are very concerned over this attack.

I sincerely hope this is not the beginning of a series of attacks of this type. All I have to say is that I have confidence in the Salvadoran people's strength, in our government's steadfastness, and that these actions will not break our spirit.

I wish to take this opportunity, Raul, to call on the labor sectors and students to think this over and ponder and realize that they are being manipulated right now within a framework of criminal destabilization of this governmnet and of the democratization process which the Salvadoran people are promoting.

Last night's criminal massacre is undoubtedly part of this strategy in which naive people, who are looking forward to better wages and believing they are fighting for truly noble causes, are being used in this destabilization plan. This does not mean, Raul, and I am not linking them directly with this action, but I am saying that there is a relationship, within all this destabilization efforts, which undoubtedly must be connected with an action that is directed against our people.

Foreign Ministry Communique

PA201919 San Salvador Radio Cadena YSU in Spanish 1827 GMT 20 Jun 85

[Communique issued by the Foreign Ministry in San Salvador, read by Deputy Foreign Minister Ricardo Acevedo Peralta -- live]

[Text] The Foreign Ministry of the Republic of El Salvador is dismayed over the terrorist attack perpetrated yesterday against national and foreign citizens who were calmly enjoying themselves in a well-known center located in the San Benito neighborhood of this city, and declares to the national and international community its rejection of such a savage attack. This new scheme of violence arising in our country clearly proves the foreign influence in Salvadoran terrorism and is part of the destabilization plan prepared by enemies of peace and democracy. The Foreign Ministry hereby states its conviction that the use of such inhuman actions only escalates a violent situation, which the government of the Republic is trying to curb by seeking rational and peaceful ways to attain peace and harmony among the Salvadoran people. The Foreign Ministry extends its condolences and solidarity to the mourning families and governments of the foreign citizens who were victims of this criminal action.

Coprefa Bulletin

PA201904 San Salvador Radio Cadena YSU in Spanish 1813 GMT 20 Jun 85

[Bulletin issued by the Armed Forces Press Committee, Coprefa in San Salvador; no date given; read by announcer]

[Text] Thirteen people have been massacred by the FMLN. Last night, at approximately 0930, FMLN terrorists savagely murdered 13 people who, at the time when they were machine-gunned, were dining in a restaurant in the Zona Rosa in the San Benito neighborhood in this capital.

The people killed were the following: Dr (Humberto Himms), eng Humberto Antonio Rosales, Arturo Silva, Jose Videl, Jose Roberto Salazar, Osvaldo Gonzalez, Thomas Handwork, Greg Weber, Bobby Dickson, Patrick Kwiatkowski, George Viney, Roberto Alvidrez, and (Richard McCartney Denturino). In addition to the 13 people killed, 6 other civilians, both male and female, were seriously injured. They are: Manuel Argueta, Graciela Gutierrez, Carmen Elena Gonzalez, Mario Ernesto Orellana, (Eric Esleuz), and Jose Rolando Lainez Linares. All of these persons were taken in due haste to various health centers. This criminal action committed by terrorists against Salvadoran and foreign nationals confirms the desperation being felt at this time by that group of murderers, because of the military defeat they are being dealt and which they are unable to escape. They are trying to get revenge by murdering innocent people, an act that is repudiated by all the Salvadoran people and by the public worldwide.

Deputy Minister on Security

PA210012 Paris AFP in Spanish 2337 GMT 20 Jun 85

[Text] San Salvador, 20 Jun (AFP) -- The massacre perpetrated Wednesday night in an elegant suburb of San Salvador in which 13 persons, 6 of whom were North Americans, were killed, will force the Salvadoran Government to adopt measures similar to those taken in 1980, Deputy Security Minister Colonel Reynaldo Lopez Nuila declared today.

In an impromptu press conference, the military officer said that they do not yet have evidence on who were the perpetrators of the attack, but he did not hesitate to accuse the FMLN.

In a tacit allusion to the church, Deputy Minister Lopez said that he cannot understand how there are sectors "that still speak of the humanization of the conflict and of dialogue, when it is evident that the only dialogue that they (the rebels) want is the dialogue of the arms." The military leader indicated that the Salvadoran Government must implement some programs to strengthen the presence of troops on the streets, as was done in 1980, although he admitted that attacks such as last night's "are difficult to control."

According to the official police report, 6 North Americans, 1 Chilean with Salvadoran nationality, 1 Guatemalan, and 5 Salvadorans were killed in Wednesday's attack carried out by a group of at least 10 terrorists, according to preliminary reports.

Marines To Be Flown to U.S.

PA201930 San Salvador Radio Cadena YSU in Spanish 1906 GMT 20 Jun 85

[Text] The funeral cortege from the La Auxiliadora funeral parlor will be leaving in a few minutes for El Salvador's international airport with the bodies of the four U.S. Marines who died during the bloody and tragic events of last night in the area known as the Zona Rosa in the area of San Benito, southwest of the capital. The four coffins will be taken to the international airport and then flown this afternoon to the United States, their country of origin.

COPREFA ISSUES COMMUNIQUE ON RECENT CLASHES

PA200031 San Salvador Radio Cadena YSU in Spanish 1800 GMT 17 Jun 85

[Communique issued by the Armed Forces Press Committee, Coprefa, date, place not given -- read by announcer]

[Text] Nine terrorists were killed in clashes. Nine FMLN terrorists were killed over the weekend in clashes in several parts of the country. Three extremists were killed in an armed clash with members of the Ponce Battalion of the 3d Infantry Brigade near (Los Bonetes) Hill, Carolina jurisdiction, San Miguel Department. The Army sustained one wounded. Three other terrorists were killed by personnel of the No 1 Military Detachment in a clash near the township of Jutiapa in Cabanas Department, 68 km east of San Salvador. The Army did not report any casualties in this action. In addition, troops of the Atonal Battalion clashed with terrorist groups in Zamoran canton, Jiqulisco jurisdiction, Usulutan, resulting in the death of an extremist and the seizing of an AR-15 rifle. The Army sustained one wounded.

In another region, personnel of the No 2 Military Detachment based in Sensuntepeque, Cabanas, surprised a column of terrorists near Tejutepeque in the department mentioned. In the ensuing clash a terrorist was killed and his FAL rifle and gear were seized. The military units sustained no casualties. Another terrorist was killed and his AR-15 rifle was seized when units of the 3d Infantry Brigade engaged in combat with a group of extremists who were gathered in the southern part of the Torola township, of Morazan Department, 175 km east of San Salvador. There were no Army casualties.

Meanwhile, terrorist Jose Mario Gonzalez, who belonged to the (?FAR), was handed over to the 3d Infantry Brigade by his mother, Francisca Gonzalez.

The former terrorist said that he was kidnapped by FMLN terrorists. However, he indicated that he deserted because he did not agree with the ideologies of his commanders.

FMLN terrorist organizations continue to violate the human rights of all Salvadorans; for example, Mr Juan Jose Ibarra, whose right foot was amputated, and engineer Manuel Enrique Handal, who was seriously wounded. Both are employees of the Usulutan Electric Company and were repairing powerlines that were damaged by terrorists near the Santiago de Maria turnoff when they accidentally activated a mine that was placed there by the terrorists. They were taken to a hospital for treatment.

RADIO VENCEREMOS REPORTS DEATHS OF U.S. MARINES

PA210107 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 21 Jun 85

[Text] According to reports broadcast by radio stations in the capital, several U.S. Marines have died in an exclusive sector of San Salvador. The Yankees who have come to shed blood in our homeland have started to die. U.S. soldiers have started to die in El Salvador due to the policy of aggression being carried out against the Salvadoran people. Due to the aggression against the Salvadoran people, the Yankees have started to die after shedding blood in our homeland. The Yankees who come to our homeland to organize the indiscriminate bombings of the civilian population have started to die. The U.S. officers who train genocidal battalions have started to die. The U.S. officers sent by Ronald Reagan to sow death and sorrow in the Salvadoran homeland have started to die.

We have heard several radio stations in the capital reporting that several members of the U.S. Army and U.S. Marines have been machine-gunned! Those sent to teach the scorched earth tactics against the population have started to die! Those who come to teach methods of torture and barbaric repression against all the Salvadoran people have started to die! That is the product of a policy of intervention and aggression against El Salvador!

War does not affect only the poor people; war cannot affect only the soldiers who are sons of workers and peasants and who die in the battlefield. War affects the officers, pilots, and those who train the troops to assassinate people in the Salvadoran countryside. War will reach everywhere; war cannot affect only the poor people! El Salvador will emerge victorious against the imperialist aggression, against Reagan's intervention in our homeland! So long as more Yankees are sent here to attack our people, so long as more Yankees come here to lead the genocide against our people, more Yankees will leave our homeland in coffins!

Commentary on Attack

PA210223 (Clandestine) Radio Venceremos in Spanish to El Salvador 0040 GMT 21 Jun 85

[Excerpts] The first U.S. Marines have died on Salvadoran soil; the Yankee intervention in our homeland has already cost them some dead. The U.S. Marines who died in the Zona Rosa of San Salvador were not innocent. No Yankee invader is free of guilt concerning the enforcement of the genocidal policy carried out by the U.S. Administration in El Salvador. No Yankee invader is innocent concerning the hundreds of peasants who were assassinated indiscriminately in the Salvadoran countryside. As a result of the genocidal bombings perpetrated with U.S.-made airplanes and bombs that were dropped by the criminal pilots who were trained and guided by the U.S. advisers, the Yankee invaders have started to die on Salvadoran soil. They are harvesting the fruits of their interventionist and genocidal policy.

The U.S. Government must be very aware that, so long as it increases the intervention, the deaths of U.S. Marines will increase. If Ronald Reagan is thinking about increasing military aid, the number of bombs and helicopters, and the amount of dollars, we do not care. We will shoot down more helicopters, demolish the puppet dictatorship's war economy, and shred the U.S. dollars. If they dare to send more U.S. Marines, we are prepared. If the imperialist intervention increases, we will become more aggressive and firm while fighting them. They should be very aware that, so long as the Yankee intervention increases, more U.S. Marines will die!

The level of readiness attained in the war is merely the direct result of the U.S. intervention in our homeland, the miserable submissiveness and surrender of our sovereignty by the lackeys currently in the government. The lackeys at the Legislative Assembly observed a minute of silence for the dead Marines, the invaders. The lackeys shed servile tears, but have only a few seconds for the mothers of the prisoners and missing political prisoners, or for the workers' urgent needs. However, as soon as a few Yankee invaders die, these lackeys rush to get on their knees and cry for those who have planned and financed the genocidal war against the Salvadoran workers.

All these lackeys of imperialism are accomplices of the war being waged against the people, of the war unleashed by U.S. interventionism. Those who blamed the Salvadoran workers for the attack perpetrated against the Social Security hospital are also accomplices of the intervention. Those who did not even bother to condemn the attack against the Human Rights Commission of El Salvador and the Msgr Oscar Arnulfo Romero Committee of Mothers and Relatives of Political Prisoners, Missing, and Murdered People in El Salvador are also accomplices. They are accomplices to the 50,000 deaths perpetrated by the puppet regime and the hundreds of missing people, war prisoners who are mistreated and remain missing. Their silence advocates crime and repression. Those lackeys who rushed to cry over the deaths of the invaders are accomplices to the U.S. interventionist policy.

They have good reason to cry, though, because U.S. imperialism nourishes them; they are part of the U.S. policy of intervention and death; they are servants of the Yankees; they agree with the policy of state terrorism, to the extent that they advocate it and give it their blessing. They have a right to cry, but they do not have a right to demand anything.

So long as the U.S. intervention is increased in our homeland, more U.S. Marines will die; this is a direct result of the U.S. policy of intervention in our Salvadoran homeland!

GUATEMALA

RANKING ARMY OFFICER 'TEMPORARILY' DISCHARGED

PA192315 Guatemala City PRENSA LIBRE in Spanish 18 Jun 85 p 2

[Text] General Rodolfo Lobos Zamora, deputy head of state and chief of the Army General Staff, reported yesterday that Lieutenant Colonel Edgar Djalma Dominguez has been temporarily discharged from the Army. Lt Col Djalma Dominguez had previously been removed as deputy director of the Adolfo V. Hall Institute, in El Quiche Department, where he served after a term as general immigration director.

Gen Lobos Zamora gave no reason for Lt Col Djalma Dominguez' discharge, stating that he preferred not to go into details.

FOREIGN MINISTER'S TRIP TERMED 'SUCCESSFUL'

PA200100 Guatemala City PRENSA LIBRE in Spanish 17 Jun 85 p 6

[Text] Guatemalan Foreign Minister Fernando Andrade Diaz-Duran arrived in Brussels, Belgium, in the fourth leg of a trip to South America, the United States, and Europe with the aim of expanding assistance programs for the country.

The Foreign Ministry stated that the foreign minister is scheduled to return on 20 June. His trip included meetings with government officials, legislators, and senators of the countries visited. He informed them of the democratization process that has reached it culminating phase in the country.

Andrade initially visited Caracas, Venezuela, where he met with Venezuelan President Jaime Lusinchi, it was officially announced. The main topic of conversation was obtaining better treatment for Guatemala on oil prices. Other topics od bilateral interest were also discussed. Andrade then went to Washington where he met with ranking U.S. State Department officials, deputies, and senators of the Democratic and Republican Parties.

The Guatemalan foreign minister then continued his trip to Bonn, Germany; Paris, France; and arrived in Brussels, Belgium, where he intends to meet with members of the EEC to discuss commercial aspects based on the recent meeting held in San Jose, Costa Rica. Guatemalan Deputy Foreign Minister Mario Marroquin stated that although Minister Andrade is not the spokesman for Central America, while recalling that he was the one who delivered the official speech in San Jose, he will meet with EEC officials to seek an understanding in commercial transactions between Europe and Central America. Above all, an expansion of aid programs and secure markets for nontraditional products of the Central American isthmus will be sought. According to the foreign minister, Andrade's trip has been "successful from any standpoint because the head of state's intentions, demonstrated by his announcement of a return to the path of constitutionality, have been applauded."

GOVERNMENT COMMUNIQUE ON CANDIDATE'S REMARKS

PA200009 Guatemala City Radio Nuevo Mundo in Spanish 1100 GMT 18 Jun 85

[Communique issued by the Public Relations Secretariat of the Office of the Guatemalan Head of State in Guatemala City on 17 June.]

[Text] In response to a statement issued by presidential candidate Jorge Carpio Nicolle in Washington, D.C., on various topics of national concern, the Guatemalan Government clarifies:

Carpio Nicolle stated that Mexico and Guatemala have an agreement by which Mexico cooperates with Guatemala's refugee problem under the condition that Guatemala assume a determined stance on the Central American conflict.

There is no agreement, pact, or understanding with the Mexican Government linking the refugee problem with Guatemala's stance on the Central American conflict. Guatemala's foreign policy is sovereign, nationalistic, and self-contained, and does not respond to guidelines established abroad. Guatemalan refugees in Mexico who voluntarily express an interest in returning to Guatemala may discuss their repartriation with the Mexican Government directly and on an individual basis in the presence of a representative of any of the humanitarian organizations that deal with the refugee problem such as the United Nations Office of High Commissioner for Refugees or the International Red Cross.

The so-called refugee problem is a strictly humanitarian concern that pursues national reconciliation by allowing Guatemalans who live in refugee camps in Mexico to return to Guatemala and live in the border model villages. These provide nationals with housing, work, medical care, and food, and guarantee security and human rights. International verification of human rights will be permitted after the returning refugees have settled in the model villages or their former hometowns.

GUERRILLAS, PATROL CLASH IN CHIMALTENANGO

PA192341 Guatemala City EL GRAFICO in Spanish 16 Jun 85 p 3

[Text] A violent skirmish took place in Las Canoas village on Friday night in the municipal jurisdiction of San Martin Jilotepeque, Chimaltenango, close to the border with El Quiche, between a group of guerrillas and members of the Guatemalan civil self-defense patrols in the region, resulting in two dead.

The report by the volunteer firemen indicates that the incursion by the armed men occurred in La Cumbre, Las Canoas village in San Martin Jilotepeque, at 2100. A fierce shoot-out erupted resulting in the death of two men who were 24 and 26 years of age.

The volunteer firemen were advised late at night and they dispatched their unit, No 111, to the La Cumbre region which is located 84 km from San Martin Jilotepeque, Chimaltenango. They had to work throughout the night and part of the morning to transfer the bodies to the hospital in the capital of the department for the pertinent proceedings.

San Martin Jilotepeque, Chimaltenango, has acquired relevance in the past few years in view of the violence that has erupted among its inhabitants. In fact, the same department was regarded as the "area in conflict" together with El Quiche and others. It has acquired relevance again, as a result of acts of bloodshed such as the one mentioned in which two peasants were killed.

The report given to the firemen by the inhabitants notes that unidentified persons arrived and clashed with the civilian patrol, resulting in two dead. There was no mention of anyone injured among the attackers.

HONDURAS

BODY OF DEAD AMERICAN FOUND IN BORDER REGION

PY210042 Paris AFP in Spanish 0007 GMT 21 Jun 85

[Text] Tegucigalpa, 20 Jun (AFP) -- According to reports released by the Armed Forces of this country, the body with bullet wounds of a North American, Joseph Reed, was found this morning by a Honduran Army patrol along the border with El Salvador.

Official sources said that the body of the North American was found in some brush in an unidentified spot in the border region between Honduras and El Salvador.

It has not been specified who murdered the person, nor are there any details about Reed, who it has been said was civilian.

NICARAGUA

PRESIDENCY NOTE ON EMBASSY ATTACK IN U.S.

PA210353 Managua Domestic Service in Spanish 0300 GMT 21 Jun 85

[Noted issued by the Presidency of the Republic on 20 June in Managua -- read by Manuel Espinoza, minister-director of the Directorate of Information and Press of the Presidency of the Republic]

[Text] 1. Today, 20 June, at 0425 hours, our diplomatic headquarters in Washington was the target of a criminal attack that produced an isolated fire. This attack is the direct result of the warmongering and aggressive rhetoric that Nicaragua is a victim of; this has created a violent atmosphere favorable to the implementation of terrorist actions like the one just mentioned.

2. The Nicaraguan Government has learned of and is worried about serious charges by President Reagan, White House spokesman Larry Speakes, and National Security adviser Robert McFarlane. They are trying to link the Nicaraguan Government to recent incidents in San Salvador. In this way the U.S. Government is trying to justify the implementation of new aggressive actions against Nicaragua. The Nicaraguan Government rejects these lies that the U.S. Government is issuing to condition international opinion and the opinion of the U.S. people themselves to justify the implementation of their warmongering plans to increase their intervention in Central America and unleash a direct intervention against Nicaragua.

3. This situation parallels events that preceded the invasion of Grenada on 25 October 1983. At that time the U.S. Government used the deaths of U.S. Marines in Lebanon to carry out a retaliation measure that culminated with the invasion of Grenada. The U.S. Government is trying to repeat history with recent actions. Statements by National Security adviser McFarlane that the area of interest for the United States is Central America and not Lebanon show that these plans do exist. In addition to this statement, the U.S. Government has deployed war vessels in an action similar to the one used in October 1983, when U.S. ships sailed for the island of Grenada.

4. The Nicaraguan Government alerts the international community about this interventionist plan and reiterates its strict respect for international law, which is the indispensable basis for the maintenance of international peace and security. Consequently, the Nicaraguan Government expects the U.S. Administration to end its campaign of aggression against the Nicaraguan people, which has already resulted in more than 8,000 victims, including women, children, youths, and elderly people, as well as great property damage. In addition, Nicaragua, which is a victim of the terrorism promoted by the Reagan administration, trusts that the situation in Lebanon can be satisfactorily resolved without the loss of human lives.

5. Nicaragua once again calls on the U.S. Government to reflect so that it may realize that one more step in the campaign of intervention in the area would not only fail to solve the Central American problem, it would worsen it. Nicaragua calls for an immediate end to acts of aggression by the United States and states that only through bilateral dialogue with the United States at Manzanillo, to explore ways to normalize relations between our two countries, and real support for the revised Contadora peace document of 7 September 1984 can the peace the Central American peoples are so rightfully demanding be achieved.

Managua, 20 June 1985

INVOLVEMENT IN SAN SALVADOR ATTACK DENIED

PA210227 Paris AFP in Spanish 0139 GMT 21 Jun 85

[Text] Managua, 20 Jun (AFP) -- Today Nicaragua denied involvement in the attack perpetrated on Wednesday against a group of U.S. Marines in El Salvador, which caused the deaths of 13 persons. In this regard, the Sandinist government stated that "insinuations" from Washington to that effect might have the purpose of culminating in an intervention of U.S. troops in that Central American nation.

A communique released by the presidential house tonight indicated that a situation similar to that on the island of Grenada in October 1983, when U.S. troops intervened on that Caribbean island, is being created. Four U.S. Marines and two U.S. civilians, as well as seven other persons, were killed Wednesday in San Salvador when an armed group opened machine-gun fire on a restaurant where the U.S. military men were.

For its part, the Salvador Foreign Ministry stated today in a communique that this new act of violence "clearly demonstrates the foreign influence in Salvadoran terrorism and forms part of the plan drafted by the enemies of peace and democracy," apparently alluding to Nicaragua, which has been repeatedly accused of ideological expansionism.

RAMIREZ ON EMBASSY ATTACK, MARINES' DEATHS

PA210507 Managua Domestic Service in Spanish 0312 GMT 21 Jun 85

[Text] During the sixth anniversary of the liberation of Leon, Nicaraguan Vice President Sergio Ramirez Mercado said tonight that Nicaragua is experiencing one of its most difficult moments, because of the possibility of a U.S. military intervention, and that the people should be ready for defense, regardless of the price. During the event, held at the Cathedral Square before local leaders, mothers of heroes and martyrs, and combative Leon residents, Ramirez said: The state terrorism policy that U.S. leaders, officials, and President Ronald Reagan have initiated against our people shows that government's desire to end our revolution. He also said: According to their interventionist plans and calculations they know the price of their intervention, but computers have not taken into consideration our people's willingness, combativeness, and determination to annihilate those who dare to trample upon our sovereignty.

Discussing the latest Contadora Group meeting, Ramirez said: In this meeting the stance of the area countries was expressed. Influenced by the United States, these countries do not want to reach a peaceful agreement. For this reason Nicaragua withdrew [retiro] from the agenda the discussion of subjects related to defense and sovereignty, because so long as attacks and interventionist plans continue, we cannot reach any agreement or discuss them.

He also denounced the U.S. attempts to involve Nicaragua in the San Salvador incident, in which four U.S. Marines were killed in well-known circumstances. The United States plans to use this incident to justify its intervention, he said. Ramirez also denounced the attack on the Nicaraguan Embassy in Washington.

Regarding the abduction of American airplane passengers in Lebanon, Ramirez said: Our people want the hostages to be released without violence, but the mobilization of U.S. war vessels to that region is worrisome. Events similar to those that preceded the Grenada invasions have occurred.

The United States later announced that the warships were headed for somewhere in the Caribbean, and the U.S. plans were very clear. The United States planned an intervention against a small country.

[Begin recording] [Ramirez] The charges that Nicaragua exports violence to El Salvador are very old, as we all know. At present, however, we must warn that these charges have become very dangerous. So far the U.S. Government has not condemned the terrorist attack against our embassy in the United States. The United States, however, has blamed Nicaragua for the events in El Salvador that resulted in the deaths of five [as heard] U.S. Marines. In addition, the U.S. Government has announced the mobilization of its war fleet to the sea off Lebanon. The Pentagon has announced this mobilization. We want to bear in mind that similar circumstances occurred in the days prior to the Grenada invasion by the U.S. Government. At that time the United States also announced the mobilization of a war fleet toward Lebanon. Later this fleet was diverted to the Caribbean and Grenada for a military intervention against that small country.

In view of these worrisome events and this acute situation where we again see the danger of a direct military intervention against Nicaragua, now closer than before, the revolutionary government and the FSLN want to be very precise and clear before the Nicaraguan people and the world. Let's realize that the terrorist attack with incendiary bombs against our embassy in the United States is merely the result of the encouragement that the counterrevolutionary, mercenary, and terrorist groups have received in the past few months when U.S. Government spokesmen described as heroes the mercenaries, the terrorists, the counterrevolutionaries who every day cause destruction and death in Nicaragua. They have been compared to the founders of the United States, who fought for U.S. independence. [end recording]

AMBASSADOR REPORTS ATTACK ON EMBASSY IN U.S.

PA201339 Managua Radio Sandino Network in Spanish 1243 GMT 20 Jun 85

[Text] The criminal attack carried out early this morning on the Nicaraguan Embassy in Washington caused damage estimated at between $50,000 and $60,000. Dr Carlos Tunnerman, our ambassador to the United States, gives details in a direct communication with the morning edition of "Extra" newscast.

[Begin live or recorded report] [Tunnerman] At approximately 0425 this morning, our companeros who live in the Chancellery building of the embassy, where the offices are located, heard the smoke alarm go off. This is a special device that is activated by smoke. When there is smoke in a building this device begins to emit a special humming sound that is designed to wake up people or alert them to the fact that there is smoke or fire in a building.

On leaving their rooms, they noticed that there was a lot of smoke coming from the first floor and that the smoke was already circulating inside the embassy. On reaching the first floor, they noticed that the smoke was coming from the embassy reception room, which is on the first floor, near the main door, and that the reception room was on fire.

They immediately contacted me, and we informed the fire department and the Secret Service, which supposedly provides protection to embassies. The firemen came at once, and the fire was brought under control, but there was some damage, which we estimate at some $50,000 to $60,000, in the reception room, the two smaller adjacent lounges, and the main telephone switchboard. Only direct telephone lines are functioning; the embassy telephone switchboard was destroyed by the fire, as were all the decorations in the reception room. The glass in the main door was broken. It is a glass door backed by iron bars.

Apparently the glass was broken and an incendiary device was thrown inside through the bars, which is what caused the fire. That is our first impression. We are carrying out in-depth investigations. The Secret Service and the FBI are also investigating, but we have obviously been the target of an attack that, had we not acted swiftly, could have caused greater damage and perhaps could have caused the entire embassy building to burn down.

[Reporter] Were there any casualties from this attack?

[Tunnerman] No, fortunately, there were not, other than the malaise felt by the companeros because of the excessive smoke. The odor of smoke lingers in various parts of the embassy, but we are already functioning normally. The appropriate precautions have been taken. Fortunately, there were no casualties.

[Reporter] What is your opinion of this attack on the Nicaraguan Embassy in the United States?

[Tunnerman] This is the consequence of all the aggressive rhetoric that is encouraged. It leads people to react in this manner. We cannot yet say what sector this attack came from. All we can say is that when a climate of hostility toward us is created, these are the results -- attacks against us, against our embassy.

[Reporter] Thank you very much, Dr Tunnerman, for your statements to Radio Sandino. [end report]

ARCE ON U.S. PREPARATIONS FOR 'INVASION'

PA200108 Madrid EFE in Spanish 0037 GMT 17 Jun 85

[By Concepcion Bordona]

[Text] Madrid, 16 Jun (EFE) -- Commander Bayardo Arce, chief of the Nicaraguan Army [title as received], who arrived in Madrid today after a stop in Havana, told EFE that his country now needs "more military advisory services and resources to face up to the aggression." Arce added: "We believe that from now on we will need to intensify the preparation of our people to face the invasion."

Prior to his stopover in Madrid on his way to Sweden where he will attend a Socialist International meeting, Bayardo Arce met in Havana with Cuban President Fidel Castro. "I had a brief, informal meeting. It was just friends greeting each other," Commander Arce told EFE. The friendship between Cuba and Nicaragua which, according to Bayardo Acre, "has reached its limits as a nation. [sentence as received] It is an unconditional, constructive, positive, respectful friendship like the friendship that Nicaragua is seeking with all of the world's countries, including the United States." Bayardo Arce avoided any comment about the return and role of the Cuban advisers and only reiterated that the advisers mission "is not to fight. We use them to train our soldiers."

Commander Arce, who rejected the possibility of a situation parrallel to the one in Grenada where Cuban military advisers fought side by side with Bishop's troops when that country was invaded by the United States, said: I see only Nicaraguans fighting." Arce, a military man and coordinator of the FMLN Political Committee, said: "Nicaragua has been at war for 4 years, like David fighting Goliath. We are fighting against the United States, which is the aggressor.

"The war is not going to start for us with the U.S. Congress decision. All Congress has done is pave the way for an escalation of the aggression to which we are already subject."

As one of the military officials of the Sandinist Army, Commander Arce believes that "a direct military intervention of American troops" is probable "because the mercenary forces that they have sent in the last 4 years have not been able to carry out any strategic action." Arce added that at the Contadora Group meeting to be held on 18 June, Nicaragua will stress "the need for Contadora to assume a more belligerent position with regard to the North American aggression. We think that if it fails to do so, Contadora will weaken itself." "It seems a little Kafkaesque to be talking about peace and searching for peace formulas when the United States is increasing its aggression against one of the countries involved. Every bit of pressure, whether an economic embargo or military funds, is a stab in Contadora's back," Arce told EFE.

He is also convinced that Nicaragua "is facing a war of foreign aggression. It is quite clear to us that although most of the counterrevolutionary forces are Nicaraguan citizens, they are operating on instructions from a foreign power," he said. According to Commander Arce, the contras "have been organized, armed, and trained by the United States, and the aggression is being strategically led by CIA officials based in Honduras with intelligence from the Southern Command in Panama."

Bayardo Arce feels that the entire situation that Nicaragua is facing "is due solely to blind stubbornness on the part of Reagan who has decided that the Nicaraguan revolution should not exist and will do everything he can to maintain hostility against our country until he realizes that he is not going to defeat us because we are going to live longer than he."

COMMUNIQUE ON REGIONAL CRISIS, U.S. AGGRESSION

Pa202229 Managua BARRICADA in Spanish 19 Jun 85 p 5

[Communique issued by the Presidency in Managua -- date not given]

[Text] The recent decision by the U.S. Congress to approve $27 million for the mercenaries that are organized, trained, armed, and led by the U.S. Government represents a measure that seriously worsens the regional crisis and increases the risk of a direct U.S. military intervention in Nicaragua. The U.S. Congress decision to support the warmongering and interventionist policy advocated by President Ronald Reagan represents a grave violation of the fundamental principles and norms included in the UN and OAS Charters, and other international obligations signed by the United States.

This new approval of funds for the mercenary forces confirms the decision to provoke a new stepped up aggression against Nicaragua and to undermine all the efforts to attain a peaceful solution to the Central American crisis, particularly the efforts exerted by the countries that comprise the Contadora Group. This stepped up war of aggression forced Nicaragua to suspend the unilateral measures adopted by the Nicaraguan Government as proof of good faith and willingness to abide by the agreements that might be attained within the Contadora Group's negotiation process. Consequently, Nicaragua had established an unilateral delay in the purchase of new defensive weapons systems and the withdrawal of a considerable percentage of the foreign advisers in Nicaragua.

The U.S. congressional decision opens a new chapter in the illegal and immoral war being promoted by the U.S. Government against Nicaragua.

This is worsened by the CIA's provocations and the creation of artificial conflicts with neighboring countries, such as the one that recently took place with Costa Rica. The continuation of the U.S. military maneuvers in Honduras represents a continuation of that country's occupation, and also prove the U.S. Government's decision to increase tension in the area, with the purpose of invading Nicaragua with its troops.

The Reagan administration's decision to undermine the Contadora Group's negotiation process is clearly stated in the document issued by the U.S. National Security Council, dated 30 October 1984, which clearly proves the U.S. Government's decision to not allow the signing of agreements which do not fully defend the so-called U.S. "interests." This new situation, which threatens the peace and security of countries in the region, makes it necessary that the Contadora Group first seek to stop the U.S. military aggression against Nicaragua.

Given all these innumerable threats and actions, which clearly indicate the possibility of a direct military intervention by the U.S. troops in Nicaragua, no peace process will be able to achieve progress. This makes it necessary for the Contadora Group to adopt specific actions aimed at handling and solving specific problems in order to prevent a generalized war in Central America and to prevent the failure of its peace efforts. These urgent actions include a revision of the agenda and the work methods for the plenipotentiary representatives' meetings, which have been held in Panama City so far, in order to aim these efforts toward the specific problems that worsen the regional crisis.

Within its policy in support of the Contadora Group, the Nicaraguan Government proposes sending a high-level delegation led by Vice President Sergio Ramirez Mercado to Colombia, Mexico, Panama, and Venezuela with the intention of talking with these friendly countries' authorities about the stepped up U.S. aggression and the peace formulas and measures that may be promoted by the Contadora Group. In addition, the group has been invited to send a delegation to the San Juan River sector to ascertain in situ the existing evidence on aggressions and provocations against Nicaragua.

Nicaragua reasserts its willingness to sign the Contadora document for peace, issued on 7 September 1984. The main aspect of the document must not be modified.

COMMUNIQUE ON BORDER INCIDENT INVESTIGATION

PA202355 Managua BARRICADA in Spanish 20 Jun 85 p 8

[Communique issued by the Foreign Affairs Ministry, in Managua on 19 June]

[Text] The Foreign Affairs Ministry reports the following:

A meeting was held in the city of Liberia on 17 June between the representatives of the Governments of Colombia, Venezuela, Mexico, and Panama; the OAS secretary general; and a Nicaraguan delegation, headed by Companero Deputy Foreign Minister Jose Leon Talavera.

In his remarks, Deputy Foreign Minister Talavera expressed satisfaction over the opportunity to express before the commission appointed by the OAS Permanent Council the points of view of the Nicaraguan Government regarding the critical situation existing at the common border area, for the purpose of categorically and convincingly demonstrating that the Nicaraguan Armed Forces did not participate in any way in the regrettable incidents that culminated in the death of Costa Rican civil guardsmen.

Nicaragua particularly emphasized its firm desire for peace and dialogue with Costa Rica, which has been demonstrated through numerous initiatives, among which was mentioned the recent proposal to establish a demilitarized zone under international supervision, which would definitively guarantee the elimination of conflicts in the border area.

In addition, Nicaragua insisted on noting that the tensions with Costa Rica originate directly from the presence of mercenary forces in Costa Rican territory and their use of said territory to launch military actions against the Nicaraguan people and create friction and artifical incidents to erode the relations between the two states, giving rise to new pretexts within the war of aggression the U.S. Government is waging against Nicaragua.

In this connection, Nicaragua once more reiterated its invitation to the Contadora Group member countries to verify in Nicaraguan territory the truthfulness of these assertions.

In this regard, Nicaragua stressed its deep concern over the recent approval by the U.S. Congress of additional millions of dollars for these mercenary forces, which will most certainly introduce more elements of tension to the relations between Costa Rica and Nicaragua in view of the use of Costa Rican territory by the mercenary groups.

Later, Commander Roberto Calderon, chief of Nicaragua's 5th Military Region, read a document regarding the use of Costa Rica's territory pursuant to the plans of aggression against Nicaragua, which was distributed among the members of the commission. The document contains a detailed account of the main activities, camps, landing strips, and safehouses of the mercenaries as well as the names of the Costa Rican civilian and military officials who are collaborating with the counterrevolutionaries.

Delivery was made of a videocassette containing statements by mercenary Eden Pastora and shots of camps and interviews with Costa Rican officials. The videocassette unquestionably demonstrates the way in which the mercenary forces operates in Costa Rican territory.

Moreover, using maps of the area, Commander Calderon made a detailed explanation of the objectives of "Operation Sovereignty," which the Sandinist People's Army is currently conducting in the San Juan River area. Special note was made of our Army's clashes with mercenary forces, which have staged attacks from the south bank of the San Juan River. During the explanation, a chronological narration was made of the military activities and acts of aggression staged from Costa Rica.

In conclusion, Commander Calderon categorically reiterated that the Nicaraguan troops have at no time crossed the San Juan River to operate inside Costa Rican territory.

The Nicaraguan Government expresses its confidence that this reliable information will be justly appreciated and included in the final report to be drafted by the commission. Once again, Nicaragua reiterates that artificial conflicts of this type, which are absolutely uncharacteristic of the Nicaraguan Government, are a result and precise consequence of the presence of irregular forces in Costa Rican territory. The actions of these mercenary groups within the framework of the warlike policy of the U.S. Administration seek to create tensions and conflicts to open the path of war for the U.S. Government, to the detriment of the noble peace efforts being made under the auspices of the Contadora Group.

TINOCO INTERVIEWED ON CONTADORA GROUP MEETING

PA210422 Managua Domestic Service in Spanish 0241 GMT 21 Jun 85

[Press conference held by Deputy Foreign Minister Victor Tinoco at Managua's Cesar Augusto Sandino Airport; questioners not identified -- live]

[Text] [Question] Companero Victor Hugo Tinoco, we would like to know the details of your stay in Panama and what will be the future of the Contadora Group because some reports talk of a break and some talk of a suspension. What can you tell us about this?

[Tinoco] As is known, following the announcement by the [Nicaraguan] Presidency, the revolutionary government, and the FSLN National Directorate on Thursday after the approval of millions of dollars of new appropriations by the U.S. Congress to finance the counterrevolution, the government of National Reconstruction issued a communique, in which it announced in Point No 2 that it would propose a review of the agenda and of the work plans at the next meeting of plenipotentiaries to be held in Panama on 18 June. The purpose of this was so the activities of the group of plenipotentiaries could be adjusted to the actual political conditions in the Central American region.

Within this context, we made a concrete proposal. When the agenda was discussed -- the agenda is discussed first in every meeting -- we proposed that the Central American and Contadora Group member countries undertake an in-depth discussion of the fundamental problems affecting the Central American region, particularly the problems of financing the counterrevolution, the friction at the Honduran-Nicaraguan border, and the friction at the Costa Rican-Nicaraguan border, and that we try to make some type of recommendation to the appropriate Contadora authorities.

As a second part of our proposal, we stressed that the group of plenipotentiaries could not continue to pursue methods or formulas of understanding for a future agreement among Central Americans while turning our backs on specific events that were taking place in the Central American region. In view of this proposal, Honduras, El Salvador, and Costa Rica refused to discuss any proposal or concrete aspect of the crisis that is currently affecting the region. In other words, they opposed the discussion of the specific problems that are worsening or heightening the tension in the Central American region.

Contadora made some efforts to propose an intermediate formula taking into account the two positions, that is, [it proposed] that Nicaragua's proposals be discussed, on the one hand and that the other points on the agenda be allowed to be broached, on the other. However, the three other Central American countries, of the Tegucigalpa bloc, soundly refused to discuss any of the problems raised by Nicaragua.

In view of these circumstances, the Contadora countries concluded that it was impossible to go on with the meeting and decided to suspend it. We think that the fundamental problem, and what lies at the bottom of the developments at this last minute in Panama, is a deepening of the crisis as a result of the warmongering policy and war measures that the [U.S.] Administration is implementing against Nicaragua and in Central America in general.

One cannot think of making progress in a process of negotiation, in a process of discussion, in a process of detente while acts of war, or acts of aggression, are allowed to be intensified, or escalated, with the resultant expansion of the confidence gap, the lack of confidence, greater discord among the Central American countries and, of course, a greater lack of confidence between Nicaragua and the United States.

Therefore, the U.S. war policy, the policy of confrontation, the policy of financing the counterrevolution, and the policy of trying to artificially pit the Central American countries against each other is affecting the Contadora process insofar as it is preventing Nicaragua from developing an abstract process of discussions on future understandings divorced from reality. [sentence as heard] Our basic position is that Contadora cannot shirk reality; that Contadora cannot discuss or theorize while ignoring reality and the war being promoted by the United States in Central America.

In this connection, we think that this position was adopted in large part by Contadora and that they understand Nicaragua's proposal. In fact, if you review the bulletin issued by Contadora at the end of the meeting you will notice that they took Nicaragua's proposal and completely expressed it in their news bulletin. This reflects Contadora's concern, because they are aware of the real, actual, underlying tenet in Nicaragua's position. Therefore, this is the situation: For our part, we will take steps in the immediate future to contact the Contadora Group member countries and reassess the situation. We will make a study together with the Contadora Group member countries on how the war of aggression against Nicaragua, how this entire offensive policy is affecting the chances of achieving peace. We will try to determine with the Contadora Group member countries what is the best way or path to confront this situation.

Therefore, and to conclude, it is not that the Contadora Group does not have a role to play. On the contrary, the Contadora Group continues to play an extremely important role. It is not that the negotiations through the Contadora Group have ended. On the contrary, efforts are being made to determine what is the best way in which the Contadora Group can contribute to peace in the region and detente in Central America.

[Question] Doctor, a statement issued tonight by Costa Rican President Luis Alberto Monge mentioned the withdrawal of the Contadora Group from the Central American region and presenting the case at the OAS. Do you have any comment on this?

[Tinoco] That has been a long-time goal of the U.S. Government and the Costa Rican rightist sector. The Costa Rican rightist sector exerts strong pressure on the Costa Rican Government, so many of its decisions are influenced by the position adopted by the opposition. Many of the opposition sectors are fascists, and they advocate the U.S. guidelines. Therefore, we are not surprised by this because they will always exert this effort. Nevertheless, we cannot believe that the problem that arose at the last meeting in Panama City means that the Contadora Group has ceased to have an important role. Quite the contrary, we believe that the Contadora Group is going to start a new period, reviewing its plans, goals, and work methods, seeking a greater effectiveness to stop the accelerating tensions in the region.

[Question] What about the statements issued by Presidents Miguel de la Madrid and Francois Mitterrand concerning their mediation to improve the regional situation?

[Tinoco] I am not really aware of those statements, but I think that Western Europe, specifically Spain and France -- due to our historical, political, and cultural links -- might play an important role in the region, in strengthening and supporting the political solutions to the Central American crisis.

[Question] The White House issued a statement yesterday concerning the event that has taken place in El Salvador, and they have again tried to blame Nicaragua for the event. What relation can you establish between this type of statement and what took place yesterday noon, when [words indistinct] Tegucigalpa refused to discuss the war situation?

[Tinoco] I think that several of the latest events in the political, military, and diplomatic sector in Central America are a result of the war policy being carried out by the U.S. Administration. You cannot finance a war in Central America and mercenary groups in the region, as the U.S. Administration is doing right now, without producing phenomena like these, clearly reflecting the stepped up war and intervention in Central America. We believe that the United States is following a policy aimed at undermining the Contadora Group. This was defined in October 1984 in a document issued by the UN National Security Council. They are still enforcing this policy, which is advocated by countries such as Costa Rica, Honduras, and El Salvador, and all this is aimed at eliminating the possibility of negotiations and a political solution, while enforcing military solutions and methods. Consequently, all this is logical because it represents a linkage among all these factors.

GOVERNMENT RENEGOTIATES FOREIGN DEBT PAYMENTS

PA192320 Managua Domestic Service in Spanish 1200 GMT 19 Jun 85

[Text] Nicaragua has obtained a 12-month term to pay $219 million and a 7-month period to revise its $1.2 billion foreign debt with banks, according to the renegotiations conducted in New york. Richard (Waner), financial adviser of the Central Bank of Nicaragua, said that the Nicaraguan Government has expressed its aim to meet its financial obligations despite the severe pressures and economic difficulties imposed by the war of aggression.

65 ACCEPT AMNESTY, RETURN FROM HONDURAS

PA192317 Managua Domestic Service in Spanish 1200 GMT 19 Jun 85

[Text] Approximately 65 Nicaraguans who benefited from the amnesty decree granted by the revolutionary government entered the country after staying in Honduras, thus joining the other 550 Nicaraguan citizens who have returned to the country. Among the 65 Nicaraguans who returned to the country, 13 are of Miskito origin. Some of them participated in armed counterrevolutionary actions.

OCCUPATION OF FRG EMBASSY IN MANAGUA ENDS

PA201817 Managua Radio Noticias in Spanish 1200 GMT 20 Jun 85

[Text] It was reported this morning that the peaceful occupation of the GDR [as heard] Embassy in Managua has ended. Regina [Schmemann] is reportedly under the protection of the International Red Cross.

BRAVO ADDRESSES LATIN AMERICAN PARLIAMENT

Discusses Foreign Debt Problem

FL210120 Havana Domestic Service in Spanish 2300 GMT 20 Jun 85

[Text] Speaking at the Latin American Parliament meeting in Brasilia, Flavio Bravo, president of the Cuban National Assembly of the People's Government, has predicted violent outbursts which would devastate democratic governments if the foreign debt problem is not solved.

Flavio Bravo said that Latin America should restructure its political unity based on the awareness that, even if it wanted to, it will never, under the present conditions, be able to pay its foreign debt of over $360 billion. The heavy indebtness Latin America has incurred is one of the effects of the crisis which began in 1974-75, the largest the capitalist system has had since the Great Depression of the 1930's.

Later, Flavio Bravo pointed out that the solution lies in declaring a moratorium and that the United States, according to Fidel Castro's suggestion, should assume the responsibility of paying U.S. banks part of the debt through bonds which would be handed to creditor banks and funded by a percentage of the military budget.

Elsewhere in his speech at the Latin American Parliament, Flavio Bravo reiterated that Cuba is not trying to impose solutions and that each country best knows its foreign debt problems. That is a principle which should be respected but he concluded by saying that the debt has reached a dimension and a mechanism that implies a true economic aggression to the region to which a united Latin America needs to respond with a spirit of solidarity and shared arguments.

Pleased by Country's Admission

FL201318 Havana Television Service in Spanish 1200 GMT 20 Jun 85

[Text] With an overwhelming majority of votes, Cuba has been admitted into the Latin American Parliament, a motion introduced as a prior agreement by the Statutes Commission. Only El Salvador and Paraguay voted against Cuba; Honduras abstained. Flavio Bravo was pleased with Cuba's full membership into the Latin American Parliament and emphasized the importance of being able to study common problems in that organization.

UN DELEGATE TERMS RADIO MARTI U.S. 'AGGRESSION'

FL202359 Havana Domestic Service in Spanish 2300 GMT 20 Jun 85

[Text] At the United Nations, Cuban delegate Enrique Gonzalez Manet has said that the erroneously named Radio Marti is part of the U.S. efforts to impose a total dominant system. Gonzalez Manet spoke at the UN Information Committee where he defined the space used by the so-called Radio Marti within the Voice of America as a neofascist form of aggression designed by the State Department and the CIA.

MEXICAN NAVY CAPTAIN TOURS NAVAL ACADEMY

FL201900 Havana Television Service in Spanish 1700 GMT 20 Jun 85

[Text] Members of the general staff of the training sailing ship Cuauhtemoc of the Mexican Navy and a group of cadets from the Heroic Naval Military School of Mexico have visited the Cuban revolutionary Navy's [MGR] academy.

Navy Captain Antonio Suarez, the academy's first deputy chief, and Mexican Navy Captain Alberto del Barrio, toured the school's installations and learned about the most important missions of the academy, the course offered, the specialities studied, and the degrees given to future MGR officers.

SPAIN'S GONZALEZ TO VISIT PERU, ECUADOR, CUBA

PA192248 Havana Innternational Service in Quechua 2200 GMT 15 Jun 85

[Text] Reliable sources in the Peruvian Government reported that Spanish head of state Felipe Gonzalez will visit Peru in July to attend the inauguration of Peruvian President-elect Alan Garcia. It was learned that after his Peruvian visit, Gonzalez will visit Ecuador and Cuba.

PUERTO RICA TO BECOME U.S. 'MILITARY ENCLAVE'

FL1201517 Havana Television Service in Spanish 1230 GMT 20 Jun 85

[Text] San Juan -- The U.S. Army proposes to convert Puerto Rico into an enclave of military communications which will include installations currently located at the Guantanamo Naval Base in Cuba and in the Panama Canal Zone.

MALMIERCA RECEIVES BOLIVIAN CHARGE D'AFFAIRES

FL2101142 Havana Domestic Service in Spanish 1000 GMT 20 Jun 85

[Text] Cuban Foreign Minister Isidora Malmierca has received Miguel Angel Flores-Alora, minister counsellor and charge d'affaires ad interim of the Republic of Bolivia, who paid him a courtesy visit. During the neeting they discussed subjects of interest, including the development of bilateral relations. The Bolivian official arrived in Havana on 18 June to open the Bolivian Embassy in Cuba.

CARLOS R. RODRIGUEZ MEETS NEW SPANISH AMBASSADOR

FL192355 Havana Domestic Service in Spanish 2300 GMT 19 Jun 85

[Text] Carlos Rafael Rodriguez, vice president of the State Council, has met in a formal ceremony Mr Antonio Serrano (De Haro Medialdea) who presented his credentials accrediting him as Spain's ambassador to Cuba. Comrade Isidoro Malmierca, foreign minister, participated in the ceremony.

RAUL CASTRO ENDS VISIT TO LAS TUNAS PROVINCE

FL201842 Havana Domestic Service in Spanish 1700 GMT 20 Jun 85

[Text] Army General Raul Castro Ruz has ended a 3-day visit to Las Tunas Province, during which he visited the eight municipalities of this eastern province. On the last day of his visit to Las Tunas, the second secretary of the Communist Party of Cuba Central Committee, inaugurated the Paco Cabrera provincial school of the Territorial Troops Militia [MTT] in Puerto Padre. During the inauguration, Raul Castro said: With the political conditions and high morale we have seen in all the municipalities we have visited, we have no doubt that this province will be able to overcome all obstacles.

At a brief meeting with the top party, government, Union of Young Communists, and mass organization leaders of the province and municipalities, Raul Castro evaluated the results of the visit and expressed his satisfaction at the people's fighting spirit, the tasks they have undertaken to further production and defense, and their magnificent political morale.

The second party secretary also spoke of matters related to the prospective economic plan for Las Tunas and the important role of women in all economic and social activities.

R. VALDES ELECTED PARTY THIRD CONGRESS DELEGATE

FL202341 Havana Domestic Service in Spanish 2300 GMT 20 Jun 85

[Text] Commander of the Revolution Ramiro Valdes, Politburo member and interior minister, has been elected delegate to the party's third congress. The election was held at the Interior Ministry's party members' third conference held in Santiago de Cuba.

Julio Camacho Aguilera, Politburo member and party first secretary in the territory, and other officials, chiefs, and high-level officials of the Interior Ministry were also present at the conference.

CAMACHO AGUILERA CHAIRS PARTY ASSESSMENT MEETING

FL171826 Havana Domestic Service in Spanish 1000 GMT 17 Jun 85

[Text] Julio Camacho Augilera, member of the Communist Party of Cuba Politburo, presided over the party assessment meeting in 19 de Octubre municipality, Havana Province. One of the subjects debated in the main report was the party's political-ideological work to achieve greater economic efficiency, starting with increases in savings and productivity. The delegates also debated the work being done in 19 de Octubre municipality to achieve higher levels in defense tasks.

CTC OFFICIAL CLOSES NATIONAL ASSESSMENT MEETING

FL131231 Havana Television Service in Spanish 1100 GMT 13 Jun 85

[Text] At the closing of the Central Organization of Cuban Trade Unions [CTC] national meeting to assess the trade union movement's emulation honoring historic anniversaries during the first 3 months of 1985, Central Committee member and CTC Second Secretary General Rene Penalver Valdes said: It is necessary to listen to the workers' opinions and suggestions in their production and service meetings, above all, those that have to do with economic efficiency and discussions of plans.

SERGIO DEL VALLE OPENS ORTHOPEDICS CONGRESS

FL181204 Havana Domestic Service in Spanish 1000 GMT 18 Jun 85

[Text] In Havana, Sergio del Valle, Politburo member and minister of public health, has inaugurated the Orthopedics-85 Congress, attended by more than 1,000 specialists from approximately 40 countries. Del Valle said Cuba will use this occasion to discuss the needs and perspectives of Cuban orthopedic medicine, and will report on its experience in the use of external braces [fijadores] and in hip surgery. These two subjects will receive special attention during the congress, which will run until the end of the week.

UNIONS CALL FOR GENERAL STRIKE; CLASHES REPORTED

FL201236 Bonaire Trans World Radio in English 1130 GMT 20 Jun 85

[Text] Several labor unions in the Dominican Republic have called for a nationwide strike starting today, and protesters yesterday clashed with police in Santo Domingo. Disturbances and confrontations between riot police and strikers affected several Santo Domingo neighborhoods participating in a general strike. The striking sector, adhering to a strike plan organized by several community organizations, demanded better living conditions and a wage increase.

Official Vehicles Stoned

FL201744 Bridgetown CANA in English 1654 GMT 20 Jun 85

[Text] Santo Domingo, June 20, CANA-REUTER -- Demonstrators burned tyres and stoned official vehicles in poor suburbs of the Dominican Republic's capital today during a 24-hour general strike against government austerity measures, police said. No clashes were reported with armed troops patrolling the streets but a private radio station said soldiers had fired into the air to disperse a crowd in the run-down suburb of Capotillo. Most of the capital was quiet, with fewer private cars, taxis, and buses on the roads than usual. Radio and television reports said many banks and small businesses had stayed open in defiance of the strike call.

The strike is the first since two people died in a series of stoppages in February called by left-wing opposition parties and labour unions in protest against food price rises. Fifty people died on this sugar-producing Caribbean island in April 1984 in rioting against food price rises of up to 200 per cent agreed with the International Monetary Fund (IMF). The riots led to the suspension of talks with the IMF on a bail-out loan but two months ago the Fund agreed to lend 78.5 million dollars this year on condition the government of President Salvador Jorge Blanco impose new austerity measures.

5 Wounded by Gunfire

PA202359 Paris AFP in Spanish 2325 GMT 20 Jun 85

[Text] Santo Domingo, 20 Jun (AFP) -- At least five civilians were wounded by gunfire this afternoon during violent clashes between demonstrators and the police in this city's slum district of Guachupita, according to sources of a nearby hospital to which the wounded were taken.

The incidents occurred within the context of the 24-hour strike called today by several labor, peasant, and people's organizations to demand salary increases.

In addition to those wounded by gunfire, some 20 people, including many children, had to be hospitalized as they were seriously affected by tear gas used by the police to suppress the demonstrators, hospital and police sources said.

Police sources reported that at least 70 people were arrested, mostly in the capital, during the strike which was only partially observed, according to its organizers. The incidents at Guachupita lasted over 1 hour, after which the police managed to restore order.

Strike Termed 'Successful'

FL211150 Kingston Domestic Service in English 0500 GMT 21 Jun 85

[Text] A 24-hour general strike called by the main Dominican Trade Union Confederation yesterday was termed successful in the capital city of Santo Domingo and other major cities. Scattered protests were staged, and some demonstrators burned tires in the streets but no violent clashes were reported. Several people were detained in [placename indistinct] but military patrols are reportedly not as heavy as in the previous general strike.

The strike was called to protest the government's austerity program imposed to meet the conditions of the IMF for refinancing the Dominican Republic's $3 billion foreign debt and providing a (?fresh) $78 million in credits.

PRESIDENT APPOINTS NEW ARMED FORCES OFFICIALS

FL192130 Santo Domingo LISTIN DIARIO in Spanish 6 Jun 85 pp 1, 14

[By Maximo M. Perez]

[Text] President Salvador Jorge Blanco yesterday designated two new Armed Forces under secretaries, approved the retirement of four officials, and made other changes within the military commands. Jorge Blanco swore in the promoted military personnel during a ceremony held at the National Palace. Also attending the ceremony were Armed Forces Secretary Lieutenant General Manuel Antonio Cuervo Gomez and Chief of Staff of the Dominican Air Force Major General Miguel Angel Restituyo.

Through Decree No 3041, Jorge Blanco promoted General Jaime Nunez Cosme to major general (temporary) and designated him as Armed Forces under secretary. He is replacing General Ramon de Jesus Rodriguez Landestoy who was designated general administrator of the low-cost dining facilities of the Armed Forces civic action. He is replacing Nunez Cosme.

Decree No 3042 stipulates that Navy Rear Admiral Leon O. Jose Beras Zorrilla and Hamlet Augusto Berges Santana, Dominican Air Force Major General Fidel T. Baez Berg, and General Mortimer Osvaldo Echavarria Mota are granted retirement with pension.

Also, through Decree No 3043, the head of state appointed Dominican Air Force General Marino Antonio Polanco Tovar as Armed Forces under secretary replacing Baez Berg, while Dominican Armed Forces Colonel Elian A. Medina Hernandez was promoted to general and appointed as Puerto Plata's International Airport general manager.

Colonel Julio Ernesto Tejada Jaquez was also promoted to brigadier general and appointed general coordinator of the Sugar State Council's farm guards, while Colonel Ramon Andres Peralta was appointed deputy general manager of Civil Aeronautics, replacing Colonel Roman Ramiro Carmano Sanchez.

Jorge Blanco also provided, through Decree No 3044, the temporary promotion to brigadier general of Colonel Rafael Diaz Bonilla, present military, naval, and Air Force attache at the Dominican Embassy in the United States and the country's representative at the Inter-American Defense Council.

DOMINICA

LPD WARNS CHARLES MAY RIG GENERAL ELECTIONS

FL201835 Bridgetown CANA in English 1758 GMT 20 Jun 85

[Text] Roseau, Dominica, June 20, CANA -- The opposition Labour Party of Dominica (LPD) has urged supporters to be vigilant in light of what it says may be attempts by the ruling Dominica Freedom Party (DFP) to rig the July 1 general election.

Political leader of the LPD Michael Douglas told a news conference today that his party was concerned over recent statements made by Prime Minister Eugenia Charles that her party intended winning all 20 seats it will contest. There is reason to suspect the Freedom Party at this stage, because I think all of us who are reasonable men would recognise that this is absolute nonsense when the Freedom Party says it will win 20 seats in the forthcoming general elections, Douglas said. So that when she (Miss Charles) says now that she is about to win 20 seats when we know in fact that she is about to lose the elections, we have to suspect she has something sinister up her sleeve, and the only thing sinister she could have up her sleeve is to rig the elections. We must be vigilant, we must keep our eyes open and we must keep our eyes on those ballot boxes to ensure that our agents are properly trained to guarantee free and fair elections in this country.

The campaign for the elections here has been marked by isolated acts of violence and vandalism which the ruling party has laid squarely at the feet of the opposition. But Douglas dismissed such allegations saying that his party has already urged supporters to keep away from Freedom Party meetings. The Labour Party has never had a tradition of violence and while I remain at its head I am assuring you that it will never have that tradition. We lost the last elections by the ballot and we intend to win this one by the ballot.

Douglas promised that should his party gain power in this former British colony there would be a 10 per cent cut in the salaries of government ministers.

GRENADA

LEFTISTS TRAVEL ABROAD TO BE RESTRICTED

FL201425 Bridgetown CANA in English 1357 GMT 20 Jun 85

[Text] St George's, Grenada, June 19, CANA -- The Grenada Government has accused communist countries of financing local leftists, and has pledged to restrict their travels abroad. The government's position was put by Education Minister Goerge McGuire when he addressed a public meeting near here last night.

McGuire said that the left, fractured by bloody infighting in 1983, was regrouping, and was advising the youth to keep fit, ready and be prepared for another revolution. We know that hundreds of dollars reach this country still from the communist bloc countries. They have been making constant efforts to go overseas to act as conduits for this type of dirty money, he claimed. We are alert to that, and we are going to keep taking away their passports, because the money they bring into this country is to bring death and destruction in this peaceful land, McGuire added.

Immigration recently seized the passport of Einstein Louison, an official of the socialist Maurice Bishop Patriotic Movement (MBPM), as he was about to leave on a visit authorities said would have taken him to East Germany.

McGuire said that freedom and democracy needed to be protected in the island through respect for law and order. He spoke of a recent incident in which he claimed that the MBPM had defied police and gone ahead with a rally to commemorate African Liberation Day. McGuire warned that police inaction on that occasion should not be interpreted as a sign of weakness. What we are doing is giving them a long rope. Just as they shoot up each other, that rope will one day turn right around and hang every last one of them, McGuire added.

HAITI

POLITICIANS CRITICIZE NEW POLITICAL PARTY LAW

PA200031 Paris AFP in Spanish 1540 GMT 18 Jun 85

[Text] Port au Prince, 18 Jun (AFP) -- Silvio Claude, founder of the PDCH (Haitian Christian Democratic Party) and leader of the opposition to the regime, charged today that the law which regulates the workings of political parties, promulgated recently by the government, is unconstitutional. Claude maintained that Article 43 of the Constitution, under which the PDCH was created in October 1978, is still valid. It established that "Haitians have the right to associate freely and to group themselves in political parties and cooperatives," and stressed that "the exercise of this right cannot be restricted in any way."

Gerard Giurgue, president of the Haitian Human Rights League, said that the new law "demands too many conditions for the formation of parties, restricts their freedom to maneuver, and encloses them in a political vacuum that can in no way benefit their development." Gregoire Eugene, director of the Haitian Social Christian Party, preferred not to comment "in order to observe how political pluralism functions under the new law."

Finally, Jean Robert Estime, foreign affairs and worship minister, maintained: "It is a serious statute; it is not tricky, complicated, or repressive," and ended his statement by maintaining that "if the parties do not accept its provisions, it will be worse for them."

JAMAICA

GOVERNMENT POSTPONES 30 JUNE LOCAL ELECTIONS

FL201322 Bonaire Trans World Radio in English 1130 GMT 20 Jun 85

[Text] The government of Jamaican Prime Minister Edward Seaga has postponed local elections that were scheduled at the end of the month. The move marks the second postponement of the balloting since last year. The elections, seen as a crucial test of the Seaga administration, may now take place as late as December 31. In April, Mr Seaga announced a plan to restructure the number of representatives from each parish or district from a total 278 to 150. Critics charged the action was designed to stall the ballot scheduled for June 30. The restructuring plan, which triggered several demonstrations throughout the island, remains under discussion by Jamaica's Electoral Advisory Commission.

U.S. POLICY TO REMAIN SAME IF PNP WINS

FL201510 Bridgetown CANA in English 1352 GMT 20 Jun 85

[Text] Kingston, Jamaica, June 19, CANA -- A delegation from the opposition socialist People's National Party (PNP) has returned home from the United States, reporting assurances from Washington that there will be no policy changes to Jamaica if the PNP wins the government again.

Party Chairman P.J. Patterson, a former Jamaica foreign minister, said that after meetings with U.S. Government and private sector officials, the delegation was assured that U.S. economic support programmes to Jamaica would continue, even if there is a change in administration here. Patterson said the delegation was also assured that the U.S. Administration respected the democratic process in Jamaica and was prepared to work with any government democratically elected by the people. He added that the delegation had achieved its objective of bettering understanding between the PNP and policy makers both in the government and the private sector of the United States. Patterson said the PNP officials expressed their support for the Caribbean Basin Initiative (CBI), but said they emphasised that its benefits could only be fully realised if there was an increase in local production, increased levels of private investment, and greater use of existing industrial capacity.

TEACHERS, DOCTORS CONTINUE STRIKE, SHUTDOWN

FL201404 Bonaire Trans World Radio in English 1130 GMT 20 Jun 85

[Text] Understaffed hospitals were emptying their beds, and gas stations remained closed for a third straight day as Jamaica's labor and industrial problems worsened. Teachers in at least 3 of the island's 14 parishes walked off the job yesterday on the latest in a string of 1-day strikes called to demand a bigger pay raise than the 12 percent raise the government of Prime Minister Seaga says it can offer. At the same time, junior doctors -- medical personnel whose job includes most duties handled by full physicians -- limited their workday at government hospitals to [words indistinct] hours between 8 am and 5 pm in a pay dispute. Officials said hospitals had begun asking relatives of patients being treated to take them home early. Junior doctors account for about 70 percent of the island's medical staff. At the same time, fewer vehicles were reported on Jamaican roads as 90 percent of the island's gasoline stations left their pumps locked for a third day. Station owners are demanding a 13-cent-per-gallon increase in their profits. The government has offered 6 cents.

NETHERLANDS ANTILLES

15-PERCENT WAGE CUT TO TAKE EFFECT 1 JULY

WA201200 The Hague ANP NEWS BULLETIN in English 28 May 85 p 9

[Text] Willemstad, May 28 -- The government of the Netherlands Antilles plans to introduce a general wage control measure which will cut wages in the self-governing Dutch colony by an average 15 per cent from July, Antillean Prime Minister Maria Liberia said here on Saturday. Liberia was quoted in the AMIGOE newspaper as saying that measures to reduce prices and levies were also being planned. The new pay cuts would not apply to workers whose wages have recently been reduced under collective labour agreements, she said. The plans have been announced several times in the past six months, but have repeatedly been deferred.

The Antilles is facing severe economic problems because of the closure of the Exxon oil refinery on Aruba in March and the threatened shut-down of Shell's loss-making refinery on Curacao. The Antilles Central Bank said on Friday that the balance of payments deficit of the six Caribbean islands rose to 70 million Antillean guilders (133 million Dutch guilders) in 1984. The balance of payments deficit in 1983 was 47.2 million Antillean guilders (90 million Dutch guilders). Corrected for Dutch development aid contributions, the deficit in 1984 was 70.2 million Antillean guilders and in 1983 21.6 million. The Central Bank warned that national income was on a downhill slope and prospects for an upturn were "very poor".

PARAGUAY

INDUSTRY MINISTER RULES OUT DEVALUATION

PY201555 Asuncion HOY in Spanish 19 Jun 85 p 8

[Excerpts] Industry and Commerce Minister Delfin Ugarte Centurion on 18 June delivered a lecture before members of the U.S.- Paraguayan Chamber of commerce and businessmen from several sectors. The questions the minister answered after his lecture revealed a marked interest in the monetary measures the government may take. Several questions dealt with possible modifications in the exchange rate system, with changes in the currency, and with the promotion of exports.

Despite the suggestions the IMF and the World Bank have made, the minister ruled out a devaluation at this time. He explained that the government is analyzing measures to be adopted in the near future regarding the economic situation, but he refused to disclose these measures. "A devaluation is a trap that ends up destroying the whole economy by discouraging investment, savings, and the formation of capital," the minister remarked.

He added that inflation generally affects the economically weaker sectors, such as the workers and the low-income sectors. In reply to a question, Minister Ugarte Centurion pointed out that "the exchange rate cannot be modified for the sole purpose of favoring exporters." The minister said that the government is carefully analyzing the measures that will be adopted in view of the current international and national situation.

A businessman asked the minister about the consequences of the economic reform currently being applied in Argentina. The minister replied that the changes in our two major neighboring countires, Brazil and Argentina, cannot pass unnoticed in our country, but that measures will be taken aimed at ameliorating any effects. As for the dollar rate, he ruled out the adoption of a single exchange rate system.

URUGUAY

COMMUNIQUE CONDEMNS HIJACKING OF TWA PLANE

PY210232 Montevideo Radio Carve in Spanish 0000 GMT 21 Jun 85

["Text" of communique released by the Foreign Ministry in Montevideo on 20 June]

[Text] In view of events that are public knowledge, the government has instructed its mission at the OAS to severely condemn, before the OAS Council, the hijacking of innocent passengers in Lebanon, to demand the urgent release of the hostages, and to request that international terrorism, in all its forms, be repudiated because it represents a threat to all forms of civilized coexistence.